

# Customer at the core

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Rane Holdings Limited  
82<sup>nd</sup> Annual Report 2017-18

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### Caution regarding forward-looking statements

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



# Customer at the core

The global automobile landscape continues to evolve at a very rapid pace. Some of the key propellants fuelling the shift are rapid technological advancement, frequent regulatory changes, evolving consumer preferences and multiplicity of urban transportation choices as well as several challenges on the way. Given the situation, there is an immense emphasis on technology and the advancements in manufacturing technology are geared towards emission reduction, light weighting, passenger and pedestrian safety, electrification and competitive pricing.

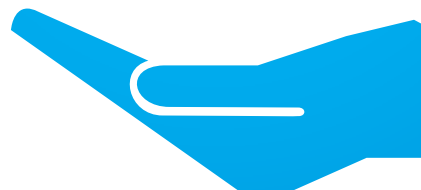
In addition, information technology, much like it steered mobile phone industry to smartphones, is geared up to steer automobile industry towards smart vehicles, thus, steadily leveraging and strengthening its prominence in vehicles. Going in sync with the present automobile landscape, even the regulators are striving to lessen traffic congestion, reduce vehicular emission and enhance road safety. To top it all, today's savvy consumers are demanding more from their vehicles across aesthetics, manoeuvrability, performance, upkeep, entertainment, convenience and connectivity.

The changing customer's preference has completely altered the paradigm and the players need to reinvent themselves time and again. Therefore, in order to protect their share and keep margins healthy, while making the most of the opportunity landscape, OEMs across the globe are required to be on their toes all the time. As a preferred supplier to most of these global OEMs, in India and elsewhere in the world, we, at Rane Group, keep our customers at the core of everything that we do everyday, at every single plant, across every single function. Thanks to our steadily maturing Business Excellence program, we are beginning to transcend the essential QCD (Quality, Cost, Delivery) assurance. Our R&D teams are diligently developing next-generation variants of our existing products with a view to make our customers succeed.

In addition, we are aggressively advancing the cause of light weighting, emission reduction and passenger safety for our customers with an aim to improve vehicular performance while addressing cost-effectiveness.

Experimenting and succeeding with an alternate material, going closer to the customer, staying lean and nimble in order to address varying batch sizes and speeds are some of the areas where Rane Group is lending a helping hand to its customers in scripting their success stories, thus, helping them in offering superior products to the end customer.

Furthermore, our customers' trust and confidence in brand 'Rane' continue to fortify and the same gets reflected in our consistent ahead-of-the-industry performance, multiple customer awards and recognitions year after year. At Rane Group, our goal to sustainable growth and profitability remains our priority and we always keep our '**Customer at the core**'.



# The World of Rane

Founded in 1929, Rane Holdings Limited, through its group companies is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is a preferred supplier to major OEMs in India and abroad. The group companies, manufacture Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die-casting products and Connected mobility solutions. The products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationary Engines. With the modern manufacturing facilities across 23 locations in India and one in the USA, Rane Group's products are sold across 30+ countries.

## Vision



To maintain market leadership and achieve sales of ₹ 6,400 Crores by 2020-21



## Mission



- Provide superior products and services to our customers and maintain market leadership
- Evolve as an institution that serves the best interests of all stakeholders
- Ensure the highest standards of ethics and integrity in all our actions
- Pursue excellence through total quality management

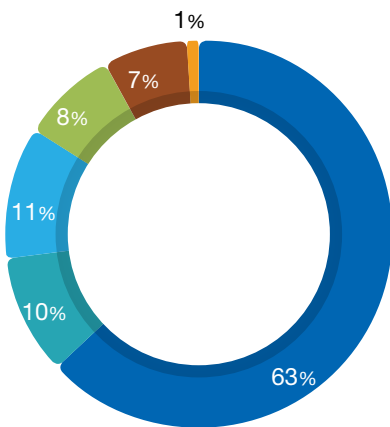
## Global Footprints



## Key Customers

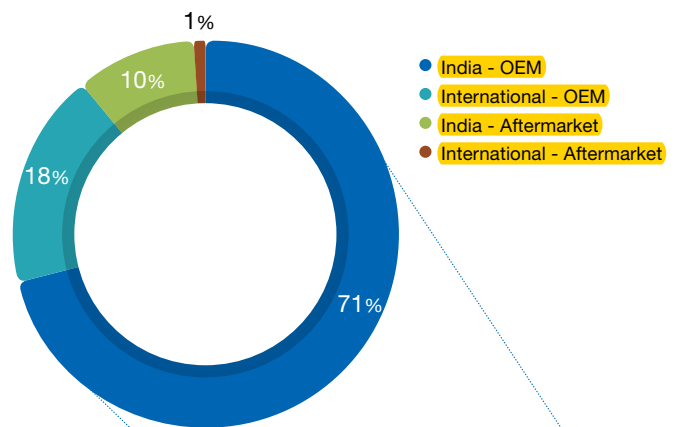


### Revenue Mix by Products (FY18)



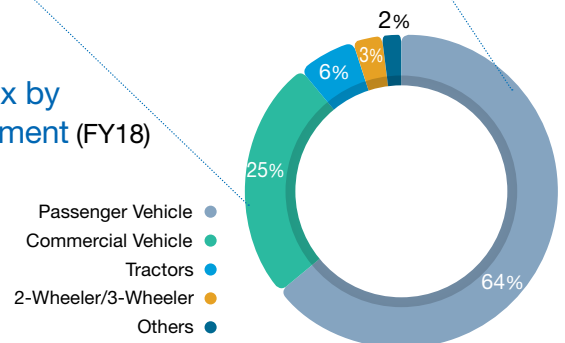
- Steering and Suspension Systems
- Friction Material Components
- Occupant Safety Systems
- Valve Train Components
- Aluminium Diecast Components
- Others

### Revenue Mix by Markets (FY18)



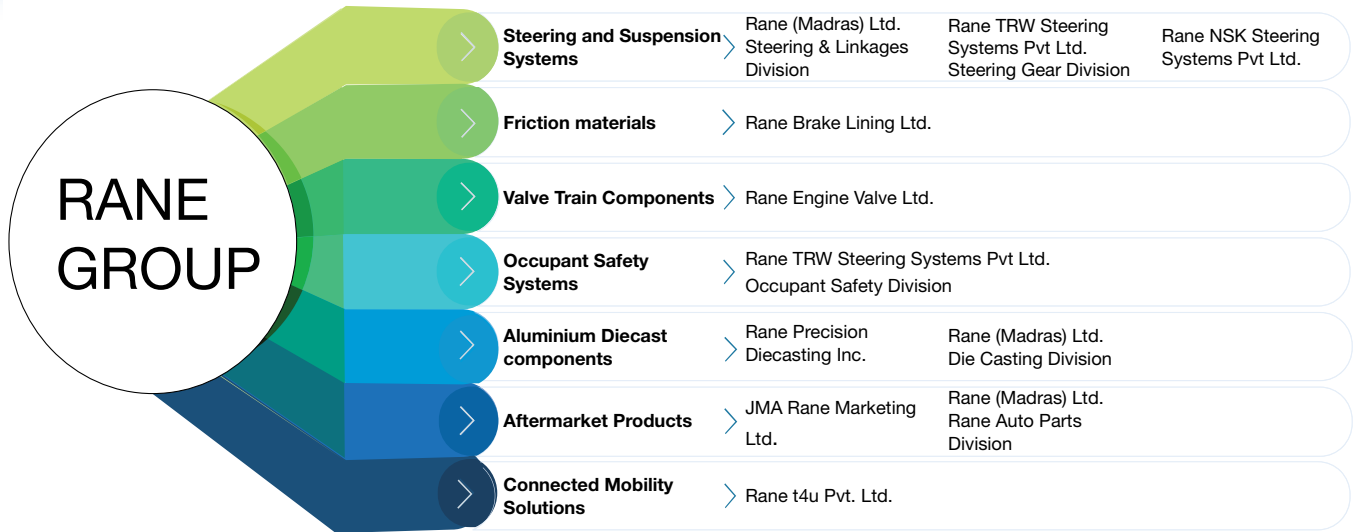
- India - OEM
- International - OEM
- India - Aftermarket
- International - Aftermarket

### Revenue Mix by Vehicle Segment (FY18) (India OEM)

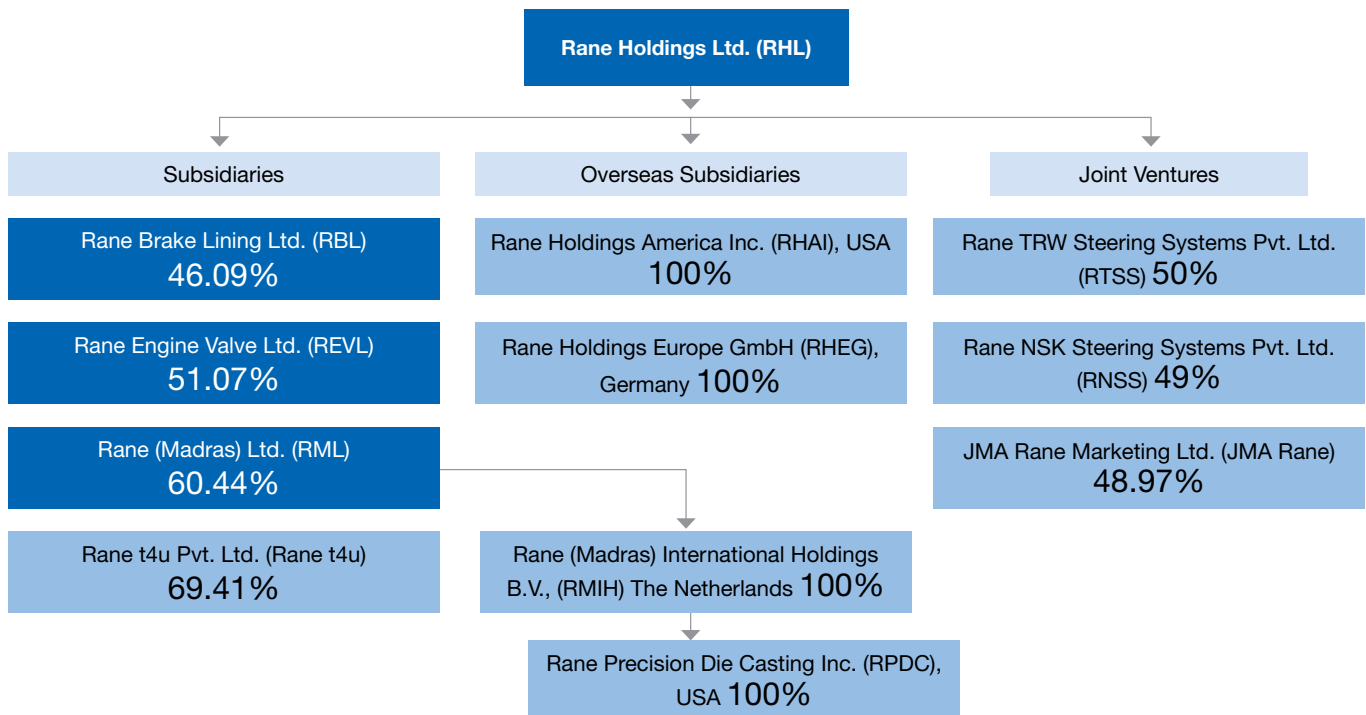


- Passenger Vehicle
- Commercial Vehicle
- Tractors
- 2-Wheeler/3-Wheeler
- Others

## Product Portfolio



## Rane Group Holding Structure



■ Listed

Shareholding as on 31 March, 2018

## Awards & Accolades

- Rane Group won “Business Partner of the year - Automotive division” from Mahindra & Mahindra Limited
- RBL Won awards from Foundation Brake, Endurance Technologies
- RML received System Audit Award from Maruti Suzuki India Ltd. and New Product Development Award from SML Isuzu
- REVL won awards from Hyundai Motor India and Renault-Nissan
- RTSS Steering Gear Division received “Best in Class” Award from Tata Motors
- RBL became the first “Great Place To Work” (GPTW) certified company in the group
- Rane Group was recognized by International Federation of Training and Development Organisations (IFTDO) in Best HRD practice category

# Standalone Financial Highlights

## OPERATIONAL PERFORMANCE

₹ in Crores

Particulars	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Total Income	97.09	98.81	75.85	59.94	53.50	57.73	63.91	48.42	45.14	34.97
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	62.40	66.94	46.29	33.99	29.16	34.49	41.05	46.76	30.08	21.04
Profit Before Tax (PBT)	58.79	62.75	42.90	32.68	27.95	32.53	38.11	43.14	27.39	18.29
Profit After Tax (PAT)	48.79	49.80	35.65	25.92	21.73	25.95	34.25	40.03	25.13	16.30

## KEY PERFORMANCE INDICATORS

Particulars	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Return on Capital Employed (ROCE) %	15.77	18.79	14.70	11.81	10.60	12.97	15.89	18.74	13.12	10.04
Return on Net Worth (RONW) %	13.34	15.20	12.17	9.38	8.24	10.32	14.54	18.54	12.86	9.05
Earnings per Equity Share (₹)	34.17	34.88	24.97	18.16	15.22	18.17	23.99	28.04	17.60	11.41
Dividend (@) %	145	85	100	75	65	80	100	125	80	40
Dividend Payout ratio (@) %	51	29	48	50	50	51	48	52	52	35
Book Value per Equity Share (₹)	267.33	244.98	212.14	198.25	188.75	180.81	171.50	158.35	144.04	129.78

## BALANCE SHEET HIGHLIGHTS\*\*

₹ in Crores

Particulars	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28
Shareholders' funds	381.69	349.77	302.90	283.06	269.49	258.16	244.87	226.09
Non current Liabilities	19.15	8.45	22.40	0.64	0.84	2.65	4.11	14.58
Current Liabilities	16.99	13.67	12.23	18.47	16.93	14.25	22.06	23.82
Non current assets	394.38	306.38	320.74	280.92	273.17	267.38	264.33	249.36
Current assets	23.45	65.51	16.78	21.25	14.09	7.68	6.71	15.13

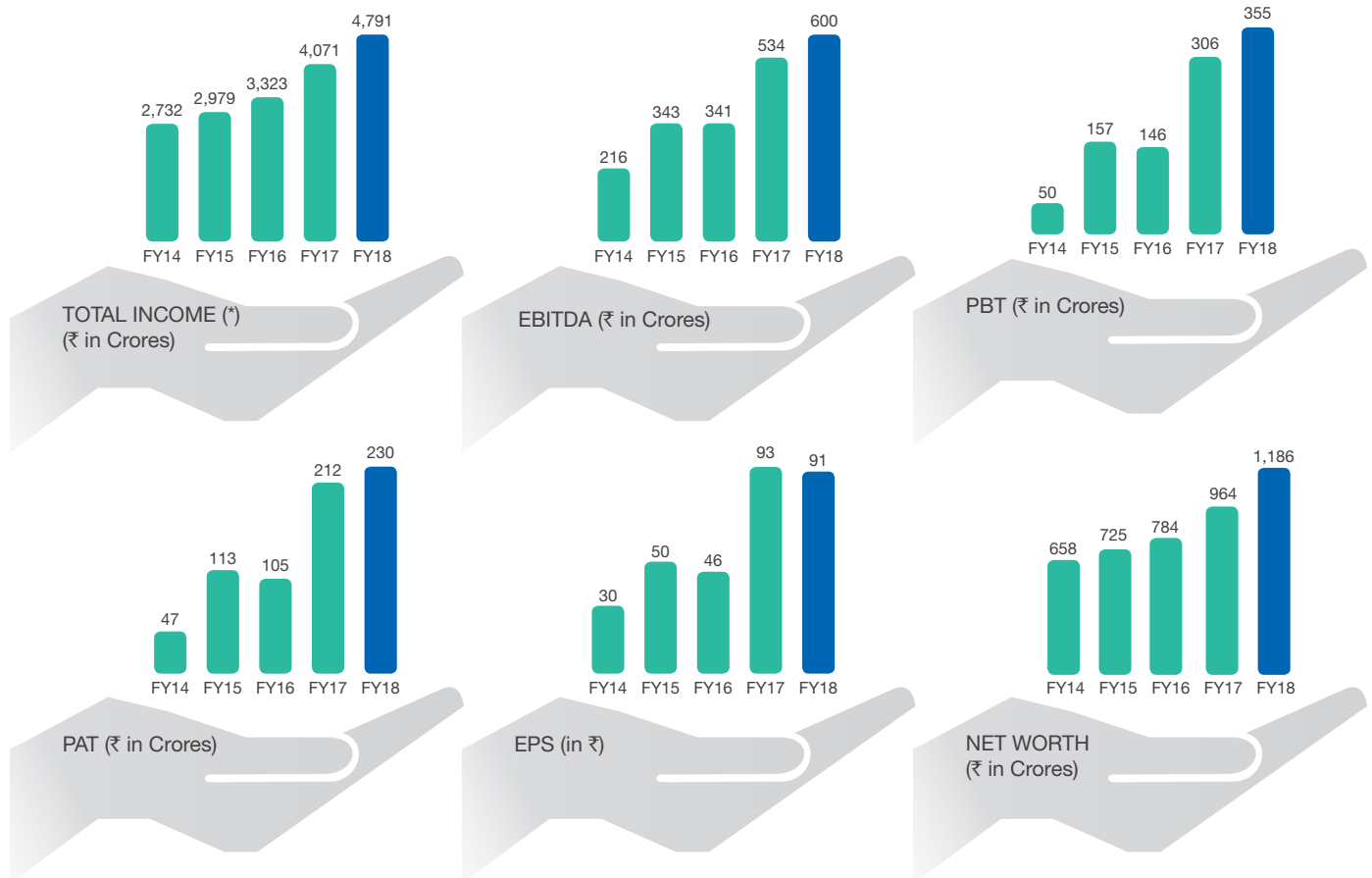
\*\* pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only

Note :

- Figures for FY 18 and FY 17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
- EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years  
(@) Includes final dividend, if any, recommended by the Board for the respective financial years



# Rane Group Aggregate



## Key Performance Indicators

Group aggregate (except for earnings per share)

FINANCIAL YEAR	FY 18	FY 17	FY 16	FY 15	FY 14
Total Income (*)	4,791	4,071	3,323	2,979	2,732
EBITDA	600	534	341	343	216
PBT	355	306	146	157	50
PAT	230	212	105	113	47
EPS	91	93	46	50	30
Net worth	1,186	964	784	725	658

Note:

- Figures for FY 18 and FY 17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
- EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

(\*) Total Income are net of excise duty

## Business Highlights

- Group Total Income grew 17% driven by strong demand
- Various cost control initiatives across Group companies helped in improving operating margins
- Expanded to Connected mobility solution with the acquisition of 69.41% equity stake in Telematics4u Services Pvt. Ltd (which was renamed to Rane t4u Private Ltd.)

# Board Profile



**Mr. L Lakshman**  
Chairman Emeritus

Mr. L Lakshman is a Mechanical Engineer and an alumnus of London Business School, UK. He joined one of the Group companies as a Management Trainee in 1970 and eventually rose to head the Group in 1992 as a Chairman. Under his leadership, the Rane Group won the coveted Deming Prize, Deming Grand Prize and Japan Quality Medal. After being at the helm of its leadership for nearly two and a half decades, he retired as Executive Chairman of RHL on March 31, 2017. He continues to be on the Board of RHL in a Non-Executive capacity, providing guidance and much needed mentorship.

For his rich contribution, he was awarded 'Jamsetji Tata Award' by The Indian Society for Quality in 2012. In addition to being a Director in Rane Group of Companies, he serves as an Independent Director in DCM Limited and SRF Limited. He leads the CSR initiatives of Rane Group and is the Managing Trustee of Rane Foundation. Apart from being a former president of ASSOCHAM, ACMA and Madras Chamber of Commerce & Industry, he has also been an active member of various industry forums.

Mr. L Ganesh is the Chairman of Rane Group, one of the acknowledged leaders in the auto component industry with over 41 years of industrial experience. He has successfully led the Rane Group during the economic slowdown, by strengthening the management and leadership capabilities. He is a Chartered Accountant and an MBA from the Pennsylvania State University, USA. Beginning his career as a Management Trainee in Rane Engine Valves Limited (REVL) in 1979, he gradually handled various responsibilities as Vice Chairman and Managing Director, Vice-Chairman of the Group and Chairman. Mr. Ganesh also serves as Independent Director on the Board of EIH Limited and EIH Associated Hotels Limited and is a trustee of Rane Foundation and Vidya Bharathi Trust.

In the past, he was also the President of Automotive Components Manufacturers Association of India and Madras Management Association. Besides, he has also held the position of Chairman of the Confederation of Indian Industry (CII), Southern Region. Currently, he is Honorary Consul for New Zealand in South India.



**Mr. L Ganesh**  
Chairman and  
Managing Director



**Mr. Harish Lakshman**  
Vice Chairman

Mr. Harish Lakshman holds a Bachelor's degree in Mechanical Engineering from BITS, Pilani, and Master's degree in Business from Krannert School of Management at Purdue University, USA. He is currently the Vice Chairman of the Company. He is the Vice Chairman of Rane Engine Valve Ltd., Rane (Madras) Ltd. and Managing Director of Rane TRW Steering Systems Pvt. Ltd. and also serves on the board of all Rane Group companies. He joined the Rane Group in 1998 and held different positions in the areas of Marketing, Operations and Export Business Development. He is currently spearheading the Groups initiative to achieve an accelerated profitable growth. Prior to joining Rane Group, Mr. Harish Lakshman worked with TRW Automotive Inc. in the US for 2 years.

As an active member of several industrial associations and government panels, he has also played a key role as President of Automotive Component Manufacturers Association of India (ACMA) for the period 2013-14. He has also served as the Chairman of CII – Young Indians (Chennai Chapter). He was identified and recognised by the Economic Times as one among the top 40 under forty India's Business Leaders in 2014.



**Mr. Anjanikumar Choudhari**  
Independent Director

Mr. Anjanikumar Choudhari has been serving as an Independent Director of Rane Holdings Limited since October 27, 2010. He is a Mathematics & Statistics Graduate and holds a Master's degree in Management Studies from Jammalal Bajaj Institute of Management Studies, Mumbai. He was the Director of Mahindra Institute of Quality and has been a guest lecturer at IIM Calcutta and Bangalore. He held number of senior positions in the Mahindra Group and served as a Director on the Boards of Mahindra group companies in India as well as overseas. Before joining M&M, he worked for 25 years with Hindustan Unilever Ltd. He has won several awards including Rotary International award in 1995 and 'Udyog Rattan' in 2007. He is the founder President of the Shanghai Indian Business Association that was founded in 1996.

Dr. (Ms.) Sheela Bhide holds a doctorate in international trade from the Institute of International Studies, Geneva, a Master's degree in economics from George Mason University, United States of America and a Master's degree in Public Administration from John F. Kennedy School of Government, Harvard University, United States of America. She also holds a Masters' degree in Business Administration (MBA) with a specialisation in financial management, from Indira Gandhi National Open University. She is presently the Senior Adviser to the EU-funded project on "Sustainable Development of Foundry Clusters in India" being implemented by Foundation for MSME Clusters, Delhi. She belongs to the 1973 batch of the Indian Administrative Service (IAS) and has handled several prominent positions in her 40 year-long career, including Ministry of Commerce of Industry, Government of India as Chairman and Managing Director, India Trade Promotion Organisation; various Ministries in Government of India viz., Ministry of Defence, Government of India (Additional Secretary and Financial Advisor Acquisition); Ministry of Corporate Affairs (Joint Secretary) and Government of Andhra Pradesh (Secretary Finance & Secretary Industry and Commerce). She is the Chairperson of Suryoday Small Finance Bank Ltd. and also serves as Independent Director on the board of L&T Metro Rail (Hyderabad) Ltd., Gati-Kintetsu Express Private Ltd. and Gati Ltd.



**Dr. (Ms.) Sheela Bhide**  
Independent Director



**Dr. V Sumantran**  
Independent Director

Dr. V Sumantran holds Master degree and Ph.D. degrees in Aerospace Engineering (Princeton University & VirginiaTech) and a Master's degree in Management of Technology. He is Alumnus of Indian Institute of Technology, Madras, where he received Bachelor's degree in Aerospace Engineering. He is a Fellow of SAE International and a Fellow of the Indian National Academy of Engineers. He is the Managing Director of Celeris Technologies and an advisor to several leading Fortune-100 organizations in automobile, industrial equipment, defence and aerospace sectors. He is an adjunct Professor at MIT-MISI and a distinguished visiting Professor of the Indian Institute of Technology, Madras. He is Independent Director on the Board of UCAL Fuel Systems Ltd.

Dr. Sumantran has over 32 years of experience and has served on the Science Advisory Council of the Prime Minister of India and Scientific Advisory Committee to the Cabinet of the Indian Government. He was also member of the National Manufacturing Competitiveness Council and served as Chairman, National Defence Council of the Confederation of Indian Industry until 2013.

Mr. Rajeev Gupta holds a Bachelor's degree on Technology from IIT (BHU), Varanasi and a Master's in Business Administration from IIM, Ahmedabad. He is currently the Chairman of Vardhman Special Steels Limited. He is also the whole-time director of Arpwood Capital Private Limited, a boutique investment banking and advisory firm and director in various other public limited companies including T.V. Today Network, Cosmo Films, VIP Industries, EIH Limited, nominee director in Arpwood Partners Investments Advisors etc. He is a veteran investment banker and has over 35 years of rich professional experience in the fields of manufacturing, investment banking and Private equity.



**Mr. Rajeev Gupta**  
Independent Director

# Letter from the Chairman & Managing Director

Dear Shareholders,

In 2017, the world economy grew at 3.8%, the fastest since 2011. At domestic front, the rollout of uniform Goods and Services Tax (GST) created some disruption and India's growth moderated to 6.6% in FY18. However, with a gradual settling down of the after effects of this important policy legislation, India is pegged to win back its tag of the fastest growing major economy for FY19 and FY20, thus, achieving projected growth rates of 7.4% and 7.8%, respectively. With an impressive growth numbers exhibit in the Automotive sector, India is all set to become the third largest in the world by 2025.

India has already established itself as a global components sourcing hub and government initiatives like 'Make in India', NATRiP (National Automotive Testing and R&D Infrastructure Project), AMP 2026 (Automotive Mission Plan 2016-26) are poised to strengthen its already strong position as a leading global supplier of quality auto components. Additionally, with the favourable demography, availability of credit and financing options, low cost of production, low penetration of cars and a major thrust on infrastructure by the government bodes well for the Indian Auto Component Industry.

Notwithstanding these immense opportunities, we continued to face some operational challenges in Rane Engine Valve Ltd. At the group level our efforts are channelized in the areas of margin accretive products, substantiated with the innovations from our R&D labs to design state-of-the-art products to provide a winning edge to our customers, in line with our goal to keep 'Customer at the core'. These efforts have started yielding fruits, which can be seen in our financial numbers. In FY18, we acquired 69.41% stake in Bengaluru-based Telematics4u Services Pvt. Ltd – later renamed to Rane t4u Private Ltd., which provides connected mobility solutions to diverse set of customers. This acquisition is in line with our growth strategy for expanding into new auto businesses.

The tradition of pursuing excellence, delighting customers and keeping 'Customer at the core' has been augmented this year as well, with numerous customer awards being received by all our group companies. We have received **Great Place To Work** certification, **Talent Management** award acknowledging our talent practices and value delivered to our employees. At Rane, we believe in giving back to the society, which has been



In FY18, we acquired 69.41% stake in Bengaluru-based Telematics4u Services Pvt. Ltd – later renamed to Rane t4u Private Ltd., which provides connected mobility solutions to diverse set of customers.

reflected in our CSR initiatives through Rane Foundation - that focuses on all round community development with education, healthcare and environment related activities.

On behalf of the entire Board of Rane Holdings Limited, I thank all our stakeholders – Customers, Employees, Partners, Vendors, Investors, Bankers, Government, Communities and most importantly you – our shareholders, who have been with us, throughout this exciting journey.

Yours Sincerely,

**L Ganesh**  
Chairman & Managing Director

# Corporate Information

## Board Committees

### Audit Committee

Mr. Anjanikumar Choudhari, *Chairman*  
 Mr. L Ganesh  
 Dr. V Sumantran

### Stakeholders' Relationship Committee

Mr. Harish Lakshman, *Chairman*  
 Mr. L Ganesh  
 Dr. (Ms.) Sheela Bhide

### Nomination & Remuneration Committee

Mr. Anjanikumar Choudhari, *Chairman*  
 Dr. V Sumantran  
 Mr. Harish Lakshman

### Corporate Social Responsibility Committee

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

### President- Corporate Services

Mr. R Venkatanarayanan

### Executive Vice President - Secretarial & Legal and Secretary

Mr. Siva Chandrasekaran

### Vice President - Finance & CFO

Mr. J Ananth

### Listing of shares on

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

## Statutory Auditors

M/s. Deloitte Haskins & Sells,  
 Chartered Accountants,  
 "ASV N Ramanas Towers", 7<sup>th</sup> Floor,  
 Old No. 37, New No. 52,  
 Venkatnarayana Road,  
 T Nagar, Chennai – 600 017.

## Secretarial Auditors

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

## Bankers

HDFC Bank Limited, Chennai - 600004  
 YES Bank Limited, Chennai - 600034  
 Citibank N A, Chennai - 600002  
 Indian Bank, Chennai – 600006

## Registered Office

Rane Holdings Limited  
 CIN: L35999TN1936PLC002202  
 'Maithri' 132, Cathedral Road, Chennai - 600086  
 Phone: +91 44 2811 2472  
 Fax : +91 44 2811 2449  
 Email: investorservices@ranegroup.com  
 Website: www.ranegroup.com

## Registrar and Share Transfer Agents

Integrated Registry Management Services Private Ltd.,  
 "Kences Towers", 2<sup>nd</sup> Floor,  
 No 1, Ramakrishna Street, North Usman Road,  
 T Nagar, Chennai – 600 017.  
 Phone : +91-44-28140801-03 Fax : +91-44-28142479  
 Email : corperv@integratedindia.in  
 Website : www.integratedindia.in

# Management Discussion & Analysis

## Economy and Industry

Global economy saw broad based pickup in growth in 2017 and is estimated to have grown 3.8% as per IMF, led by growth upsurge in major advanced and emerging economies. Surging business and consumer confidence and steady job creation led to the creation of a favourable environment for growth. The recently approved U.S. tax policy change is expected to stimulate growth momentum further going forward. However, faster than expected increase in inflation on the back of rising fuel prices and interest rate in the advanced economy and imposition of global trade barriers leading to trade war could act as a dampener. As per the estimates provided by IMF, the strong momentum in economic activity seen in 2017 is expected to continue in 2018 and 2019 driven by advanced economies where growth is expected to exceed 2 percent.

Estimates from the Central Statistics Office (CSO) suggest that the Indian economy grew by 6.6% in FY18 as compared to 7.1% in FY17. GST resulted in slowdown of manufacturing activity leading to deceleration in growth momentum in the first half of FY18. However, the economy resumed its fast growth trajectory with revival in manufacturing and construction activity in the latter half. Indian economy is poised to achieve stellar growth amid strong revival signs in consumption spending and investment activity after having recovered from the disruptions caused by the demonetization and introduction of Goods & Services Tax (GST). According to IMF estimates, India is expected to grow at 7.4% and 7.8% respectively in 2018 and 2019 respectively making it the fastest growing economy in the world.

## Indian Automobile Industry

During the fiscal year 2017-18, the domestic industry witnessed growth across all the vehicle segments. From a segment perspective, the Passenger Vehicle (PV) segment registered 5% growth owing to new launches and strong preference for Compact Utility Vehicles segment. The volumes of Passenger Cars and Utility Vehicles grew by 1% and 20% each respectively on a year on year basis.

Domestic Commercial Vehicle (CV) segment volumes contracted during the first quarter of financial year led by sharp decline in sales of Medium & Heavy Commercial Vehicles (M&HCV). This was due to pre-buying in Q4 2017 ahead of the



BS-IV rollout and deferment of purchases by fleet operators before roll-out of GST. However, due to demand from the construction, mining and FMCG sectors in the subsequent quarters resulted in growth of 10% in the CV segment.

In the M&HCV segment there was a major shift towards production of higher tonnage multi axle vehicles. Overall the M&HCV market had muted growth over the previous year. The Light Commercial Vehicles (LCV) segment reported strong volume growth of 14% driven by rising demand from e-commerce and logistics sectors and increasing rural disposable income. The Small Commercial Vehicles segment reported volume growth of 27%.

Revival in the rural economy because of normal monsoon and increasing rural spends by the government positively impacted the demand for tractors and the Farm tractors grew by 14%. The two-wheeler segments also reported robust volume growth of 16% on the back of new launches, improving consumer sentiment and better rural income driven by good monsoon.

Industry Segment (Production figures)	Growth in % (YoY change)	
	2017-18	2016-17
Vehicles		
Passenger Cars (PC)	1.0	5.4
Utility Vehicles (MUV)	19.9	26.3
Vans (MPV)	(0.3)	(0.6)
<b>Passenger Vehicles</b>	<b>5.5</b>	<b>9.4</b>
Small Commercial Vehicles (SCV)	27.0	2.7
Light Commercial Vehicles (LCV)	14.0	6.0
Medium & Heavy Commercial Vehicles (M&HCV)	0.3	0.4
<b>Commercial Vehicles</b>	<b>10.4</b>	<b>3.0</b>
3 – Wheelers	30.4	(16.2)
2 – Wheelers	16.1	5.8
Farm Tractors (FT)	14.4	21.1

Source: Society of Indian Automobile Manufacturers

### Indian auto component industry

The Indian auto component industry achieved stellar growth and is on course to become the third largest player in the world owing to increasing domestic demand and huge export potential with major global OEMs making India a component sourcing hub for their global operation. The Company expects that healthy growth in OEMs volumes, robust replacement demand and an increase in the content of auto components per vehicle owing to the adoption of new safety and emission norms and technological advancements should result in low double-digit growth for the industry.



### Rane Holdings Limited (RHL)

#### Operational Highlights

- The Group Companies continue to pursue various initiatives towards achieving profitable growth
- Various steps were taken for cost rationalization, such as localization, value engineering, productivity improvement projects and other strategic saving initiatives
- Acquired 69.41% equity stake in Telematics 4u Services Pvt. Ltd. The acquisition is aligned with our aspirations of expanding into new auto businesses.

#### Financial Highlights

The Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. These are the Group's first financial statements under Ind AS and the corresponding previous year figures have been restated as per Ind AS

#### Standalone Financial Highlights

- Total Revenue was ₹ 97.09 Crores for FY18 as compared to ₹ 98.81 Crores in FY17, a decrease of 2%
  1. Operating revenue increased from ₹ 70.88 Crores in FY 17 to ₹ 95.56 Crores in FY18 due to higher dividend income and trademark fee from Group Companies
  2. Other income decreased from ₹ 27.93 Crores in FY 17 to ₹ 1.53 Crores in FY18. There was an one off income of ₹ 26.31 Crores during FY 17 on account of divestment of our shareholding in SasMos
- EBITDA stood at ₹ 62.40 Crores as compared to ₹ 66.94 Crores during FY17, a decrease of 7%

- Net profit (PAT) stood at ₹ 48.79 Crores for FY18 as compared to ₹ 49.80 Crores in FY17

### Consolidated Financial Highlights

- Total Revenue (excluding excise duty) was ₹ 2,310.05 Crores for FY18 as compared to ₹ 2,077.97 Crores in FY17, an increase of 11%
- EBITDA stood at ₹ 256.69 Crores as compared to ₹ 248.98 Crores during FY17, an increase of 3%
- Net profit (PAT) stood at ₹ 130.29 Crores for FY18 as compared to ₹ 133.37 Crores in FY17

### Subsidiary Companies

#### Rane (Madras) Limited (RML)

#### Operational Highlights

##### RML-Standalone

- Maintained healthy capacity utilization as plants sustained higher production to meet increased demand for Steering products
- Achieved production ramp up of Rack & Pinion at Varanavasi Plant
- Continued to improve operational performance and achieved reduction in internal rejections and premium freight in Die-cast division
- Secured System Audit Award from Maruti Suzuki India Ltd. and New Product Development Award from SML Isuzu Ltd.

#### Rane Precision Die Casting (RPDC)

- RPDC performance was in line with expectation till first half of 2017-18. In second half we have had setbacks in reduced offtake from some customers and operational inefficiencies. This is being closely monitored for improvement.
- Key pieces of equipment and tooling were refurbished or replaced as appropriate.
- Acquisition of automation systems to improve productivity and customer satisfaction.
- Implemented marketing strategy to penetrate new industries and customers to augment the core automotive business.
- Launch of a new steering rack housing for major customer.

#### Standalone Financial Highlights

- Net Sales was ₹ 1,172.60 Crores for FY18 as compared to ₹ 951.87 Crores in FY17, an increase of 23%
1. 29% growth in the domestic market
    - Steering and Linkages business registered good growth across vehicle segments and Die Casting business delivered robust performance.
    - Indian Aftermarket business saw revival in demand after initial GST hiccups.
  2. 6% growth in the Exports market – led by positive performance of Steering & Linkages business with All-Terrain Vehicle (ATV) segment in North America





- EBITDA stood at ₹ 139.50 Crores as compared to ₹ 99.38 Crores during FY17, an increase of 40%
- Net profit (PAT) stood at ₹ 41.82 Crores for FY18 as compared to ₹ 20.67 Crores in FY17, an increase of 102%

#### Consolidated Financial Highlights

- Net Sales was ₹ 1,349.41 Crores for FY18 as compared to ₹ 1,156.77 Crores in FY17, an increase of 17%
- EBITDA stood at ₹ 134.88 Crores as compared to ₹ 99.92 Crores during FY17, an increase of 35%
- EBITDA Margin at 10.0% for FY18 as against 8.6% in FY17
- Net profit (PAT) stood at ₹ 24.22 Crores for FY18 as compared to ₹ 4.32 Crores in FY17.

#### Rane Engine Valve Limited (REVL)

##### Operational Highlights

- Successfully installed a new line at Trichy plant for enhanced business volume with International OE customer
- Plants improving capacity realization and operational performance
- Increased Repairs & Maintenance spend to improve machine availability
- Delivery issues and higher rejection persist at select manufacturing facilities
- Won awards from Hyundai Motor India and Renault-Nissan

##### Financial Highlights

- Net Sales was ₹ 368.49 Crores for FY18 as compared to ₹ 348.93 Crores in FY17, an increase of 6%
  1. Sales to Indian OEM customers grew by 10% helped by increased share of business with key domestic customers in Two-wheeler and Stationary Engines segment
  2. GST implementation and related stabilization of process in the markets negatively impacted the Aftermarket business
  3. Sales to International customers grew by 7%. This was driven by ramp up in business with a major European customer partially offset by lower offtake in International Aftermarket business
- EBITDA stood at ₹ 15.46 Crores as compared to ₹ 24.80 Crores during FY17, a decrease of 38%
- Net loss after tax including exceptional income stood at ₹ 17.06 Crores for FY18 as compared to profit of ₹ 57.69 Crores in FY17



#### Rane Brake Lining Limited (RBL)

##### Operational Highlights

- Enhanced Aftermarket dealer network and introduced various new products in Aftermarket
- Completed Long Term Settlements (LTS) at Hyderabad and Trichy Plants well within time lines
- Enhanced formulation library with Low Steel formulations
- Continue to realise higher cost savings through various operational and strategic initiatives
- Won awards from Foundation Brake, Endurance Technologies
- Rane Brake Lining Limited became the first Great Place To Work (GPTW) certified company in the group.

##### Financial Highlights

- Net Sales was ₹ 482.46 Crores for FY18 as compared to ₹ 466.11 Crores in the FY17, an increase of 4%
  1. OE sales registered a healthy growth of 6% mainly supported by strong demand from Passenger vehicles and Two-wheeler segment
  2. GST implementation and related stabilization of process in the markets negatively impacted the Aftermarket business

- EBITDA stood at ₹ 80.61 Crores as compared to ₹ 77.69 Crores during FY17, an increase of 4%
- Net profit (PAT) stood at ₹ 35.75 Crores for FY18 as compared to ₹ 34.93 Crores in FY17

#### Rane t4u Private Limited (Rane t4u)

During the year, RHL acquired 69.41% equity shareholding in Bengaluru-based Telematics4u Services Private Ltd (T4u). Founded in 2009, T4u offers customized analytics-rich end-to-end telematics solutions for various transportation and asset tracking requirements in India and other countries across South Asia, Middle East and Africa. T4u was renamed as Rane t4u Private Ltd.

The financial highlights of Rane t4u for 2017-18 are as follows:

- Net Sales for seven months period ending March 2018 was ₹ 8.27 Crores
- Incurred negative EBITDA of ₹ 5.40 Crores.
- Net loss after tax stood at ₹ 6.02 Crores for seven months YTD ending March 2018.

#### Joint Venture Companies

##### Rane TRW Steering Systems Private Limited (RTSS)

###### Operational Highlights

- Ramped up production at manufacturing plants to meet the increase in demand for steering products in the CV segment
- Purchased land near Trichy to construct an additional plant for future expansion of Occupant Safety business



- Successfully added new technology Side Airbag into product portfolio
- Capacity expansion for ramping up volumes in seat belts and airbags
- Steering Gear Division received “Best in Class” Award from Tata Motors

###### Financial Highlights

- Net Sales was ₹ 1,124.54 Crores for FY18 as compared to ₹ 855.80 Crores in FY17, an increase of 31%
- EBITDA stood at ₹ 148.20 Crores as compared to ₹ 104.79 Crores during FY17, an increase of 41%
- Net profit (PAT) stood at ₹ 72.06 Crores for FY18 as compared to ₹ 48.63 Crores in FY17

##### Rane NSK Steering Systems Private Limited (RNSS)

###### Operational Highlights

- Select Manual Steering Column (MSC) customer lines transferred from Chennai plant to Uttarkhand plant based on proximity to customer location
- Increased localisation of testing and validation facility for Electric Power Steering (EPS)
- Continued to achieve cost savings through localization in EPS products
- Enhanced the operational efficiency through Cycle time reduction and OEE improvement

###### Financial Highlights

- Net Sales was ₹ 1,293.96 Crores for FY18 as compared to ₹ 1,000.09 Crores in FY17, an increase of 29%
- EBITDA stood at ₹ 192.94 Crores as compared to ₹ 135.66 Crores during FY17, an increase of 42%
- Net profit (PAT) stood at ₹ 119.45 Crores for FY18, including ₹ 25.06 Crores of exceptional item, as compared to ₹ 61.20 Crores in FY17.

##### JMA Rane Marketing Limited (JMA Rane)

The financial highlights of JMA Rane for 2017-18 are as follows:

- Net Sales was ₹ 60.85 Crores for FY18 as compared to ₹ 66.79 Crores in the FY17, a decrease of 9%
- EBITDA stood at ₹ 3.26 Crores as compared to ₹ 3.00 Crores during FY17, an increase of 8%
- Net profit (PAT) stood at ₹ 2.09 Crores for FY18 as compared to ₹ 1.74 Crores in FY17

### Opportunity and Threats

Following the implementation of GST, manufacturing activity is expected to further accelerate. Given the positive environment for Indian automotive sector, the Company is set to capitalize on the upcoming opportunity by focusing on improving process efficiencies, reducing cost, building scale in existing markets, exploring new markets and working with its various technology partners and OEMs to bring in the best in class products to the country and outside of the country. A stronger regulation which makes a certain safety level mandatory and rising awareness about safety in cars is likely to lead to healthy growth in the Company's Occupant Safety segment.

However, increasing commodity prices, volatile forex movements, liquidity issues in the increasing interest rate environment, and looming trade war continues to be the area of concern in the future. Economic slowdown leading to contraction in demand remains one of the major threat which could lead to decreased volumes and capacity utilisation. Below-normal monsoon leading to decline in rural demand and increasing competitive intensity could also act as a major dampener.

### Outlook

Growing economy, rising income coupled with favourable demography, availability of credit and financing options, low cost of production, low penetration of cars and a major thrust on infrastructure by the government bodes well for the industry and the Company.

With the objective of delivering profitable growth, the company expect to leverage on the favourable demand environment and pursue market share improvements and new product introductions. Further, the Company continues to expand the international business with its existing customer base. Established the business development office in Munich, Germany to support European customers and penetrate new customers. The Company is exploring suitable inorganic growth opportunities to further accelerate growth.

### Internal Control Systems

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

The internal audit function is outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the

Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy.

### Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with risk mitigation plan to the Board of Directors on half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at company level is carried out and presented to the Board of Directors once in two years for their review.

### Human Resources

At Rane Group, Leadership Development and Employee Engagement were the focus areas for FY 2017 – 18.



### Leadership Development

As part of technical competency development for the front line managers, Rane Manufacturing Systems Professional (RMSP) was launched in Q1 to build manufacturing capability, focusing on manufacturing processes and systems with gemba based learning and business oriented projects. To supplement the learning, as a pilot, an online learning mode was introduced for five technical courses. Further, a refreshed twelve-day customized course on “Learning on Machines” was designed and delivered to graduate engineers. To enable the graduate engineers to explore the vast opportunities and to build a solid career, Reconnect program was rolled out. The objective of the program is to further build awareness on various paradigms that will aid them to focus on execution and achieve the results.

As part of strengthening the leadership pipeline, the revamped High Potential Leadership Development (HPLD) intervention was rolled out. The new elements such as 360 degree feedback, Immediate Functional Senior (IFS) workshop, etc. were incorporated in the design. Around 39 employees across the group companies were identified and initiated into HPLD intervention. About 5 employees of RHL went through the TOP GEAR program focused on High Potential Leadership Development. The participants pursued an action-learning project that focused on solving a significant challenge faced by the company. As part of Executive Leadership

Development, Developing Executive Presence was rolled out. The Group Leadership Development Council periodically reviewed leadership development.

### Employee Engagement

Rane Group follows the GPTW framework and conducts the employee engagement survey every year to understand the opinions, attitudes and perceptions of employees, which forms the basis for refining policies and programs. To enhance the employee experience, select workflows were digitized and deployed. Employees were encouraged to participate in marathons and other fitness related programs to promote individual wellness and achieve a sense of balance in life. Several other new initiatives were structured to engage with employees regularly.

### Awards and Accolades

Rane Brake Lining Limited became the first GPTW certified company in the Group.

Rane Group was recognized by International Federation of Training and Development Organisations (IFTDO) in Best HRD practice category.

### Workforce Productivity

Further impetus was provided to workforce productivity improvement initiative. The objective is to rationalize Direct Employee Cost through enhanced manpower utilization and





judicious automation. Periodic review and guidance sessions were held at the Plants with the identified teams.

### Information Technology

Rane Data Centre (RDC) continuously engaged with business in identifying and implementing Line of Business related key projects to improve efficiencies. RDC assisted in the implementation of Product Data Management and Product Life Cycle Management at RNSS and RML. e-Procurement solution has been extended to all group business units for further improving the procurement efficiency.

The internal team successfully managed GST migration. SAP ASP system has been implemented for filing GST returns. The Kar Mobiles Division was fully integrated with the accounting systems of REVL in SAP. SAP ERP system was updated with relevant enhancement patches during the year.

To address the ever-increasing cyber security threats and vulnerabilities, ISMS has been further strengthened by implementing data protection measures such as Data Loss Prevention tool (DLP) & malware protection. RML & RBL locations were certified as ISO 27001 compliant.

Redesigned website was rolled-out, based on the responsive web design principles, to provide seamless experience across multiple devices.

### Corporate Social Responsibility

The Company continues to be a responsible Corporate Citizen and places significant weightage on carrying out its Corporate Social Responsibility duties and create a positive impact on the society.

In the year 2017-18, the company contributed to Rane Foundation, the lead for implementing Rane Group's CSR initiatives. The company also partnered with several NGOs for implementing projects in the area of Healthcare and Community development.

One of the major initiative of Rane Foundation is Rane Polytechnic, established at Trichy in the year 2011, has stepped into its eighth academic year. In the current year, 194 students completed their diploma program. Over 90% of the students were campus placed. The institution endeavours to offer quality technical education and sustainable development to the rural youth. Rane Foundation also embarked upon a journey to provide quality education to children in rural neighbourhood by establishing Rane Vidyalaya. The school is located in Theerampalayam, Manachanallur Taluk, Trichy and will follow CBSE curriculum and open its doors for the academic session 2018-19.

### Rane Pioneer of Change Award

'The Rane Pioneer of Change award' was instituted as part of Shri L L Narayan (LLN) memorial initiatives during LLN's centenary function held on 6 October 2017. The award was instituted by Rane Foundation to identify and bring into limelight the grass-root level organizations and individuals from Tamil Nadu, who have excelled as social change leaders in the field of Education – Capacity Building & Skill Development, Public Health and Community Development. The biennial award comprises of a medallion and ₹ 10 Lakhs cash prize.

# REPORT OF THE BOARD OF DIRECTORS

Your directors take the pleasure in presenting the Eighty Second Annual Report together with the accounts for the year ended 31 March, 2018.

## 1. State of Company's affairs

### 1.1 Financial Performance

Your Company's investment profile is as given below:

Sl. No.	Name of investee company	Products	Ownership of your Company
<b>Subsidiary companies</b>			
1	Rane (Madras) Limited	Steering gear products, steering and suspension linkages, Die-casting products. Other article of aluminium.	60.44%
	<u>Stepdown Subsidiaries</u>		
	a) Rane (Madras) International Holdings B.V., The Netherlands	Holds strategic overseas investments	100.0%
	(i) Rane Precision Die Casting Inc.	High pressure aluminium die casting for automotive applications	100.0%
2	Rane Engine Valve Limited	Engine valves, valve guides and tappets	51.07%
3	Rane Brake Lining Limited	Brake linings, disc pads, clutch facing and clutch button	46.09%
4	Rane Holdings America Inc.	Providing business development services in North American region for Rane Group Companies	100.0%
5	Rane Holdings Europe GmbH (formerly Mainsee 1038. V V GmbH)	Providing business development and other related support services for Rane Group Companies in the European region	100.0%
6	Rane t4u Private Limited (formerly Telematics4u Services Private Limited)	Analytics and solutions to telematics service providers	69.41%
<b>Joint Venture Companies</b>			
7	Rane TRW Steering Systems Private Limited	Hydraulic steering gear, Hydraulic pumps, Seat belt and Air Bags	50.0%
8	Rane NSK Steering Systems Private Limited	Manual steering columns and electric power steering.	49.0%
9	JMA Rane Marketing Limited	Automotive component trading with Pan India dealer network.	48.97%

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

During the year the Company acquired 69.41% equity in Telematics 4u Services Private Limited (t4u), a Bengaluru based telematics company which offers customized analytics-rich end-to-end telematics solutions for various transportation and asset tracking requirements in India and other countries across South Asia, Middle East and Africa. t4u was subsequently renamed as Rane t4u Private Limited (Rane t4u). The investments in Rane t4u amount to ₹ 19.76 crores through a combination of equity (₹ 1.26 crores)

and Compulsorily Convertible Preference Shares (CCPS) (₹ 18.50 crores), as at the end of financial year 31 March, 2018. During April & May 2018, the Company has further invested ₹ 3 crores through subscribing to CCPS at par.

The Company had also increased its equity shareholding in its listed subsidiary Rane (Madras) Limited (RML) from 56.31% to 60.44% by subscribing to a preferential issue of 10,96,892 equity shares and 3,65,630 convertible warrants for an aggregate ₹ 65 crores. The warrants are convertible into equivalent equity shares within a period of 18 months from the date of allotment i.e on or before 11 March, 2019 subject to payment of balance consideration ₹ 15.00 crores (warrant exercise price).

Rane (Madras) Limited had on 21 September, 2017, redeemed at par the entire 82,32,164 fully paid-up 6.74% Cumulative Redeemable Preference Shares (CRPS) of ₹ 10/- each, held by the Company.

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

(₹ in crores)

Particulars	2017-18	2016-17
Income	97.09	98.81
Profit before tax	58.79	62.75
Provision for tax	10.00	12.95
Profit after tax	48.79	49.80
Surplus brought forward	64.05	19.97
Total Comprehensive Income	48.67	49.86
Amount available for appropriation	57.24	64.05

Note: The figures for FY 2016-17 have been restated as per applicable Indian Accounting Standards.

Key Performance indicators, operational performance and balance sheet summary are furnished in Page No. 6 of this annual report.

In the preparation of the financial statements for the financial year 2017-18, the Company has adopted Ind AS and the transition date is 01 April, 2016.

During the year, income of your Company had marginally decreased by 1.7% over that of the previous year. The earnings per share for the year 2017-18 is ₹ 34.11 compared to last year ₹ 35.00

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

## 1.2 Appropriation

During the year 2017-18, the Board of Directors declared an interim dividend of 55% (i.e., ₹ 5.50 per equity share of ₹ 10/- each, fully paid-up) and the same was paid on 26 February, 2018 to all the eligible shareholders whose name appeared in the registered of members of the Company as on 16 February, 2018, being the Record Date fixed for this purpose. The Board of Directors of the Company at their meeting held on 07 May, 2018 have considered and recommended a final dividend of 90% (i.e., ₹ 9/- per equity share of ₹ 10/- each, fully paid-up) for approval of the shareholders at the ensuing eighty-second Annual General Meeting (AGM) to be held on 02 August, 2018.

The total final dividend amount inclusive of distribution tax and

surcharge thereon would be ₹15.49 crores. The final dividend, if declared by the shareholders, will be paid on 09 August, 2018 to all the eligible shareholders whose name appears in the register of members of the Company as on 26 July, 2018, being the Record Date fixed for this purpose.

An amount of ₹ 57.24 crores is available for appropriation after transferring ₹ 38.73 crores to the General Reserve

## 1.3 Management Discussion & Analysis

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

## 1.4 Consolidated financial statements

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

(a) **Subsidiary companies** – each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. Minority interests have been appropriately considered.

(b) **Joint Venture companies** – Share of profits based on the percentage of share held has been consolidated.

The consolidated financial statements of the Company are prepared generally based on the audited financial statement of the subsidiary companies and joint-venture companies, for the year ended 31 March, 2018.

In terms of Section 136 of the Companies Act, 2013 the Company has not attached the financial statements of the subsidiary companies. However, the financial information of the subsidiary companies duly audited by the auditors are disclosed in this annual report. The Company undertakes to make available a soft or hard copy of the annual report and annual accounts of the subsidiary companies and the related detailed information to investors, as may be required by them, seeking such information at any point of time on demand. The annual accounts of the subsidiary companies have been posted in the website of the Company viz. <https://www.ranegroup.com> and also kept open for inspection by any investor at the registered office of the Company and that of the respective subsidiary companies. The consolidated financial statements presented by the Company, which form part of this annual report, include financial results of its subsidiary companies.

## 2. Board of directors

### 2.1 Composition

The composition of the board of directors of the Company is furnished in the Corporate Governance Report annexed to this report.

During the year, Mr. Rajeev Gupta (DIN: 00241501) was appointed as an additional director (Independent) by the Board of Directors with effect from 31 August, 2017 to hold office till the ensuing AGM. The Board has recommended to the members his appointment as an Independent Director for a term of five consecutive years viz. till 31 August, 2023.

Mr. Shujaat Khan (DIN: 00526891) did not seek re-appointment as an Independent Director at the previous AGM due to his other professional commitments and consequently ceased to be a director on the Board of the Company effective conclusion of 81<sup>st</sup> AGM i.e. 31 August, 2017.

Dr. (Ms.) Sheela Bhide (DIN: 01843547) was appointed as an Independent Director by the shareholders at the 79<sup>th</sup> AGM held on 12 August, 2015, for a period of three years to hold office up to the conclusion of the ensuing 82<sup>nd</sup> AGM.

The Nomination and Remuneration Committee at its meeting held on 07 May, 2018, have recommended the appointment of Mr. Rajeev Gupta and re-appointment of Dr. (Ms.) Sheela Bhide for a second term as Independent Director(s). The notice convening the 82<sup>nd</sup> AGM seeks approval of the members for their appointment / re-appointment as Independent Directors.

All the independent directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

### 2.2 Retirement by rotation

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

### 2.3 Board meetings

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

### 2.4 Meeting of Independent Directors

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

for the Board to effectively perform its duties. They also reviewed the performance of the non-independent directors and the Board as a whole and the performance of the chairman of the Company taking into account the views of executive directors and non-executive directors.

## 3. Board and management

### 3.1 Board evaluation

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

The criteria for evaluation of board and its committees were founded on the structure and processes, meetings and discussions, board information and functioning and committee effectiveness. The guiding standards for the assessment of performance of directors (including the independent directors) were founded on aspects relating to their group dynamics, competency and commitment to the success of the Company.

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

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

### 3.2 Familiarisation program for independent directors

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

### 3.3 Key Managerial Personnel

Mr. L Ganesh, Chairman & Managing Director, Mr. Siva Chandrasekaran, Secretary and Mr. J Ananth, Chief Financial Officer hold the office of Key Managerial Personnel under the Companies Act, 2013. During the year, there was no change in the Key Managerial Personnel.



### 3.4 Remuneration policy

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

The details of remuneration paid / payable to the directors during the financial year 2017-18 is furnished in the Corporate Governance report annexed to this Report of the Board of Directors

## 4. Audit

### 4.1 Audit Committee

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

### 4.2 Statutory Auditors

M/s. Deloitte Haskins and Sells (DHS) were re-appointed by the shareholders at the eightieth AGM (AGM 2016), as Statutory Auditors of the Company for a second term of five consecutive years to hold office until the conclusion of the eighty fifth AGM (AGM 2021). Subject to notification of the relevant provisions of the Companies (Amendment) Act, 2017, their appointment may have to be ratified by the members at every AGM in accordance with Section 139 of the Companies Act, 2013 read with applicable rules made thereunder. In the event of notification of the aforesaid amendment, the requirement for ratification would be infructuous and shall be dispensed with.

The Company has received letter from DHS consenting for the appointment and confirmation to the effect that their appointment for the 2018-19, if ratified, would be within the limits and that they are free from any disqualification specified in section 141 of the Companies Act, 2013 and the rules made thereunder. DHS have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The statutory auditors report to the members for the year ended 31 March, 2018 does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

### 4.3 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The report on the

Secretarial Audit carried out for the year 2017-18 is annexed herewith as 'Annexure B'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

### 4.4 Internal Auditors

The Company continues to engage M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, as Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations.

## 5. Directors' Responsibility Statement

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

- i. in the preparation of the financial statements for the financial year 2017-18, the applicable accounting standards had been followed and there were no material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- iv. they had prepared the financial statements for the financial year on a 'going concern' basis;
- v. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 6. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and do not have any potential conflict with the interest of the Company at large. There are no materially significant related party transactions made by the Company with Related Parties, except for those disclosed in 'Annexure C' to this report of the Board of Directors.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis.

The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions and material subsidiaries as approved by the Board is uploaded on the Company's website ([http://ranegroup.com/rhl\\_investors/policy-on-related-party-transactions/](http://ranegroup.com/rhl_investors/policy-on-related-party-transactions/) and [http://ranegroup.com/rhl\\_investors/rhl-policy-on-material-subsidiaries/](http://ranegroup.com/rhl_investors/rhl-policy-on-material-subsidiaries/)). Save as disclosed elsewhere in this report, none of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

### 7. Corporate Social Responsibility (CSR)

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

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh and Mr. Anjanikumar Choudhari as its members. The Annual Report on CSR activities carried out during the year 2017-18 is annexed as 'Annexure D'. The CSR policy of the Company is available in the Company's website [http://ranegroup.com/rhl\\_investors/corporate-social-responsibility-policy/](http://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/)

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

The Company is conscious of the imperative to protect environment and the natural resources for achieving sustainable economic growth and have started several initiatives in this regard such as conservation of energy and water and eco-friendly waste management system. In view of the nature of activities of the Company, disclosure relating to technology absorption are not applicable to the Company.

The disclosure foreign exchange earnings and outgo, in terms of provisions of Section 134(3)(m) read with Rule 8 of the Companies

(Accounts) Rules, 2014 are given hereunder:

### Foreign Exchange earnings and outgo

₹ in Crores

Foreign Exchange	2017-18	2016-17
Earnings	0.71	43.50
Outgo	0.38	0.67

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

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided in the Annual Report. Having regard to the provisions of first proviso to sub-section (1) of Section 136 of the Act, the Annual Report excluding the aforesaid information is sent to the members. The said information is available for inspection by the members at the registered office during business hours on a working day of the Company up to the date of the ensuing Annual General Meeting. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their e-mail address and is available on the Company's website [www.ranegroup.com](http://www.ranegroup.com).

### 10. Corporate Governance Report

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

### 11. Other disclosures

- Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- 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.
- The details forming part of the extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith as 'Annexure E'.

- e) The Company has complied with the applicable secretarial standards viz., SS-1 on Meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India as per section 118(10) of the Companies Act, 2013.
- f) The Company does not accept any deposit falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.
- g) 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.
- h) The Company believes that women should be able to do their work in a safe and respectful environment that

encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper mechanism across the Company. There was no case reported during the year under review through this mechanism.

**For and on behalf of the Board**

<p>Chennai 07 May, 2018</p>	<p><b>Harish Lakshman</b> Vice Chairman DIN:00012602</p>	<p><b>L Ganesh</b> Chairman &amp; Managing Director DIN: 00012583</p>
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## ANNEXURE A TO REPORT OF THE BOARD OF DIRECTORS

# POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL (SMP)

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

## Criteria for Appointment

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

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

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

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

## Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed to attract, motivate, and retain talented employees who drive the company's success and it aims at

aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

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

## Non- Executive Directors

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

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

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

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

The remuneration structure of the executive directors, CEO or Manager, KMPs and SMPs are broadly divided into fixed and variable component, which ensures that relationship of remuneration and performance benchmarks is clear, there exists a balance between fixed and incentive pay and the same reflects short and long-term performance objectives appropriate to the working of the company and its goals.

The fixed compensation shall comprise of salary, allowances, perquisites, amenities and other components. The variable component of the remuneration is based on the performance of the individual in achieving superior operational results and to align employees with the organizational vision and growth strategies with a view to motivate them to achieve best results.

## ANNEXURE B TO REPORT OF THE BOARD OF DIRECTORS

# SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31 March, 2018

### 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 Holdings Limited

[CIN: L35999TN1936PLC002202]

"Maithri", No. 132, Cathedral Road, Chennai - 600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE HOLDINGS LIMITED** (hereinafter called "the Company") during the financial year from 01 April, 2017 to 31 March, 2018 ("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/ returns filed and compliance related action taken by the Company during the year as well as after 31 March, 2018 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 taken on record by the Board of Directors;
- (iii) Certificates confirming compliance with certain labour related laws issued by the Internal Auditor and taken on record by the Audit Committee / Board of Directors; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the **financial year ended on 31 March, 2018**, the Company has complied with the statutory provisions listed hereunder and also has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

### 1. Compliance with specific statutory provisions

#### We report that:

- 1.1 We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed / submitted / disseminated during the year according to the applicable provisions / clauses of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
  - (ii) 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 Act'):-
    - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (c) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
    - (d) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (v) The listing agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.
  - (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent

of Overseas Direct Investment and Foreign Direct Investment (FEMA);

(vii) Secretarial Standards issued by The Institute of Company Secretaries of India.

**1.2** During the period under review, and also considering the compliance related action taken by the Company after 31 March, 2018 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) **Complied with** the applicable provisions / clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraph 1.1. (i) to 1.1.(vi) above; and
- (ii) **Complied with** the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1. (vii) above to the extent applicable to Board meetings and General meetings.

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

- (i) The Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:
  - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (ECB), since the Company has not availed any ECB.
  - (b) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
  - (e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (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 during the year was in compliance with the provisions of the Act and LODR.

(ii) The Board of Directors of the Company, as on 31 March, 2018, has:

- (a) One Executive Director
- (b) Two Non Executive Non Independent Directors
- (c) Four Independent Directors, including a woman Independent director.

(ii) The following changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act:

#### (a) With effect from 1 April, 2017:

- Executive Chairman and Managing Director became a non-executive director; and
- Joint Managing Director was appointed as Managing Director (in the designation of Chairman) for three years.

#### (b) On / with effect from 31 August, 2017:

- Re-appointment of one independent director by passing special resolution at the 81<sup>st</sup> annual general meeting (81<sup>st</sup> AGM);
- Re-appointment of the director retiring by rotation at the 81<sup>st</sup> AGM;
- Cessation of an Independent Director on the end of his term at the conclusion of the 81<sup>st</sup> AGM; and
- Appointment of an Additional Director in the category of Independent at the Board Meeting.

### 2.2 Board meetings:

- (i) Adequate notice was given to all directors to enable them to plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the directors at least seven days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings and consent of the Board for circulating them separately or at the meeting was duly obtained as required under 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 and supplementary notes.
- (iv) 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.

- (v) We are informed that, at the Board meetings held during the year:
- (a) Majority decisions were carried through; and
  - (b) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.

### 3. Compliance mechanism

#### We further report that:

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

### 4. Specific events/ actions

#### We further report that:

#### 4.1 Investment in Rane (Madras) Limited (RML):

- (i) The investment in the form of 82,32,164 Cumulative Redeemable 6.74% Preference Shares of ₹ 10/- each held was redeemed at par on 21 September, 2017.
- (ii) Equity holding in RML increased from 56.31% to 60.44% consequent to the allotment 10,96,892 Equity Shares of face value of ₹ 10/- fully paid for cash at a price of ₹ 547/- each on 11 September, 2017 in a preferential issue. ₹ 60 crores was invested for the acquisition.
- (iii) 3,65,630 warrants of ₹ 10/- each were acquired for cash

at a price of ₹ 547/- each in RML on 11 September, 2017. ₹ 5 crores, being 25% of the total value was paid as per the terms of the preferential issue. The warrants are convertible into 3,65,630 Equity shares at any time on or before the expiry of eighteen months from said the date of allotment, after paying the remaining sum of ₹ 15 crores.

#### 4.2 Investment in Rane t4U Private Limited (formerly Telematics 4U Services Private Limited) (Rane t4u):

- (i) 11,57,000 equity shares of ₹ 10/- each, constituting 69.41% of equity shareholding was acquired on 1 September, 2017 for a sum of ₹ 1.16 crores.
- (ii) Consequent to this Rane t4u became a subsidiary.
- (iii) ₹ 18.50 crores was invested in acquisition of 1,85,00,000 Compulsorily Convertible (0.1%) Preference Shares of ₹ 10/- each
- (iv) Letters of comfort aggregating to ₹ 7 crores were issued to a bank and a non-banking finance company in respect of working capital and term loan facilities extended by them to Rane t4U.

#### 4.3 Investment in Auto Tech Fund I, LP, USA:

An investment of USD 5 million has been committed out of which USD 1,575,000 has been invested during the year.

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

**K Sriram**  
Partner

07 May, 2018

Membership No: F6312

**ANNEXURE- A TO SECRETARIAL AUDIT REPORT OF EVEN DATE**

To,  
The Members  
**Rane Holdings Limited**  
[CIN: L35999TN1936PLC002202]  
"Maithri", No. 132, Cathedral Road, Chennai - 600086

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31 March, 2018 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31 March, 2018 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial statements 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 Act.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**K Sriram**  
Partner

07 May, 2018  
Chennai

Membership No: F6312  
Certificate of Practice No: 2215



## ANNEXURE C TO REPORT OF THE BOARD OF DIRECTORS

# FORM NO. AOC -2

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

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

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

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

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

Sl. No.	Particulars	Details
(a)	Name (s) of the related party & nature of relationship	Mr. L Lakshman, Chairman Emeritus. He is related to Mr. L Ganesh, Chairman and Managing Director and Mr. Harish Lakshman, Vice Chairman. He is part of the Promoter and Promoter Group of the Company.
(b)	Nature of contracts/arrangements/transaction	Advisory services agreement
(c)	Duration of the contracts/arrangements/transaction	4 years (with effect from 01 April, 2017 to 31 March, 2021)
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Advisory services: Guidance and mentorship to the RHL executive management and advisory support in initiatives of strategic importance to Rane Group's future growth plans, as may be decided from time to time.
(e)	Date of approval by the Board	Approval(s) for payment of advisory services to Mr. L Lakshman have been secured in terms of Section 177, 188, 197 & other applicable of the Companies Act, 2013 including rules, as detailed below:  Nomination and Remuneration Committee, Audit Committee and Board of Directors at their respective meetings held on 31 March, 2017; and Members of the Company vide postal ballot dated 11 May, 2017
(f)	Amount paid as advances, if any	NIL

**For and on behalf of the Board**

Chennai  
07 May, 2018

**Harish Lakshman**  
Vice Chairman  
DIN :00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

## ANNEXURE D TO REPORT OF THE BOARD OF DIRECTORS

## ANNUAL REPORT ON CSR ACTIVITIES

For financial year 2017-18

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

The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The Company continues to focus on four thrust areas for its CSR activities – Education, Healthcare, Environment and Community Development.

During in the year 2017-18, the Company has implemented several projects primarily focusing on Education followed by Healthcare.

**Education**

The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its eighth academic year. The institution was accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program in 2017. Over the last four batches, 691 students have completed their Diploma program. In the current year, 194 students completed their Diploma program. Over 90% of the students were campus placed. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation is embarking on its next major project, a school 'Rane Vidyalaya' in Trichy. The school is to provide quality education to children in rural neighborhood. The institution aims to provide conducive learning environment to children, develop well-qualified teachers and support staff for the continuous improvement, and recognize the diversity of talent amongst children by promoting extra-curricular activities. The school is located in Theerampalayam, Manachanallur Taluk and Trichy, will offer nursery and primary education to start with and shall gradually scale to offer up to higher secondary education in due course of time.

We also support DAV Group of Institutions and this year we are part-funding to improve the infrastructure of their existing classrooms to set up a "Teachers Training Academy" for training aspiring teachers from marginalized classes.

The Company supported Kuppuswami Sastri Research Institute (KSRI), Chennai which is a very old, reputed

institution, dedicated to extensive work in areas of Sanskrit and related Indology research.

**Healthcare**

In the healthcare space, the Company extended support to physically challenged people in and around Trichy through Freedom Trust. With the help of qualified Doctors and paramedical staff, the disability assessment camp was conducted at Spastics Society and mobility aids were distributed to 91 beneficiaries as part of this project.

The Company also supported the Jeevan Stem Cell Foundation in Chennai for processing and storing 30 kits from cord blood donations, which will be made available for needy patients.

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

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

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

Board CSR committee	Management CSR committee
Mr. L Lakshman, Committee Chairman, Non-Executive & Promoter Director	Mr. R Venkatanarayanan, President – Corporate Services
Mr. L Ganesh, Chairman, Managing Director & Promoter	Mr. J Ananth, Vice President– Finance & CFO
Mr. Anjanikumar Choudhari, Non-Executive & Independent Director	

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

(₹ in crores)

Particulars	2014-15	2015-16	2016-17
Net profit for the year (PAT)	25.92	35.65	49.80
Adjusted Net profit (as per Section 198)	33.07	43.14	36.89
Average Net profit	37.70		

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 75.40 lakhs**

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

- (a) Total amount to be spent for the financial year: ₹ 125.40 lakhs
- (b) Amount unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year is detailed below:

(₹ in lakhs)

S. No.	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure up to the reporting period	Amount Spent: Directly or through an implementing agency
1	Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Other - Trichy (Tamil Nadu)	117.59	111.59	111.59	Implementing Agency: Rane Foundation - 111.59
2	Education	Preservation of National Heritage - support the noble task of preserving and building on the wealth of knowledge for our current and future generations	Local - Chennai (Tamil Nadu)		1.00	112.59	Implementing Agency: The Kuppaswami Sastri Research Institute (KSRI) - 1.00
3	Education	Support DAV in setting up a 'Teacher Training Academy' – DAV Guru Shikshanam to train graduates to become quality teachers	Local - Chennai (Tamil Nadu)		5.00	117.59	Implementing Agency: TN Arya Samaj Educational Society - 5.00
4	Healthcare	Mainstream integration of physically challenged / rehabilitation of differently abled children	Other - Trichy (Tamil Nadu)	6.52	4.42	122.01	Implementing Agency: Freedom Trust – 4.42
5	Healthcare	Enable quick and affordable access to life saving treatment, for Indians with blood cancers and Thalassemia.	Local - Chennai (Tamil Nadu)		2.10	124.11	Implementing Agency: Jeevan Stem Cell Foundation – 2.10
6	CSR Capacity building			1.29	1.29	1.29	
<b>Total</b>				<b>125.40</b>	<b>125.40</b>	<b>125.40</b>	

Note: The excess contribution of ₹ 0.50 crores over and above the minimum requirement of 2% of the average net profits was made to support the start-up funding of Rane Vidyalaya, the school project at Manachanallur, Trichy district, Tamil Nadu.

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

Not Applicable

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

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society.

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

**For and on behalf of the Board**

**Harish Lakshman**  
Vice Chairman  
DIN : 00012602

**L Ganesh**  
Chairman and  
Managing Director  
DIN : 00012583

**L Lakshman**  
Chairman of  
the Committee  
DIN : 00012554

Chennai  
07 May, 2018

## ANNEXURE E TO THE REPORT OF THE BOARD OF DIRECTORS

# EXTRACT OF ANNUAL RETURN

As on the Financial Year Ended on 31 March, 2018

### FORM No. MGT -9

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

#### I. Registration and Other Details:

(i) CIN	:	L35999TN1936PLC002202
(ii) Registration Date	:	03 March, 1936
(iii) Name of the Company	:	<b>Rane Holdings Limited</b>
(iv) Category / Sub-Category of the Company	:	Public Company-Limited by Shares/ Indian/ Non-Government Company
(v) Address of the Registered office and contact details	:	'Maithri', No.132, Cathedral Road, Chennai - 600 086 Phone: 044 – 2811 2472; Fax: 044 – 2811 2449 Website: www.ranegroup.com Email ID: investorservices@ranegroup.com
(vi) Whether listed company	:	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Integrated Registry Management Services Private Limited II Floor, 'Kences Towers', No. 1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017 Phone: 044 2814 0801; Fax: 044 2814 2479 E-mail: corpserv@integratedindia.in Contact person: Mr. K Suresh Babu, Director

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trademark fees	774-7740-77400	35.67
2	Dividend income	642-6420-64200	32.74
3	Information technology support service	620-6202-62020	14.64
4	Management consultancy service	702-7020-70200	9.83

#### III. Particulars of Holding, Subsidiary, Wholly Owned Subsidiary, Associate Companies and Joint Ventures:

Sl. No.	Name of the company	Address of the company	CIN/GLN	% of shares held	Applicable Section
<b>Subsidiary Companies</b>					
1.	Rane (Madras) Limited	'Maithri', No. 132, Cathedral Road, Chennai – 600086	L65993TN2004PLC052856	60.44	2(87)
2.	Rane Engine Valve Limited	Tamil Nadu, India	L74999TN1972PLC006127	51.07	
3.	Rane Brake Lining Limited	# 9, 2nd Floor, 1 <sup>st</sup> Main Road New Bel Road, Sanjaynagar Bangalore - 560094, Karnataka, India	L63011TN2004PLC054948	46.09	
4.	Rane t4u Private Limited (formerly Telematics4U Services Private Limited)		U72900KA2009PTC049462	69.41	

Sl. No.	Name of the company	Address of the company	CIN/GLN	% of shares held	Applicable Section
<b>Step Down Subsidiary Companies</b>					
1.	Rane (Madras) International Holdings B.V	Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands	Not Applicable	100.00	
2.	Rane Precision Die Casting Inc.	232, Hopkinsville Road, Russellville Kentucky - 42276 -1280, United State of America	Not Applicable	100.00	2(87)
<b>Wholly Owned Subsidiary Companies</b>					
1.	Rane Holdings America Inc.	160 Greentree Drive, Suite 101, Dover City, County of Kent, 19904	Not Applicable	100.00	2(87)
2.	Rane Holdings Europe GmbH (formerly Mainsee 1038. V V GmbH)	MutzeKorsch, Rechtsanwalts gesellschaftmbH, TrinkausstraBe 7, 40213 Dusseldorf	Not Applicable	100.00	2(87)
<b>Joint Venture Companies</b>					
1.	Rane TRW Steering Systems Private Ltd.	'Maithri', No. 132, Cathedral Road, Chennai – 600086	U35999TN1987PTC014600	50.00	
2.	Rane NSK Steering Systems Private Ltd.	Tamil Nadu	U29141TN1995PTC030621	49.00	2(6)
3.	JMA Rane Marketing Ltd.	2E/5 Jhandewalan Extension, New Delhi - 110055	U51909DL1991PLC042645	48.97	

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

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

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	
<b>A. Promoter(s)</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	32,46,127	-	32,46,127	22.74	32,44,027	-	32,44,027	22.72	(0.02)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1):-</b>	<b>32,46,127</b>	<b>-</b>	<b>32,46,127</b>	<b>22.74</b>	<b>32,44,027</b>	<b>-</b>	<b>32,44,027</b>	<b>22.72</b>	<b>(0.02)</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	33,77,662	-	33,77,662	23.66	33,77,662	-	33,77,662	23.66	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2):-</b>	<b>33,77,662</b>	<b>-</b>	<b>33,77,662</b>	<b>23.66</b>	<b>33,77,662</b>	<b>-</b>	<b>33,77,662</b>	<b>23.66</b>	<b>-</b>
<b>Total Promoter Shareholding (A) = (A)(1)+ (A)(2)</b>	<b>66,23,789</b>	<b>-</b>	<b>66,23,789</b>	<b>46.39</b>	<b>66,21,689</b>	<b>-</b>	<b>66,21,689</b>	<b>46.38</b>	<b>(0.02)</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	13,31,233	150	13,31,383	9.32	15,64,356	-	15,64,356	10.96	1.64
b) Banks / FI	2,772	3,659	6,431	0.05	9,607	1,195	10,802	0.08	0.03
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	6,79,573	-	6,79,573	4.76	6,79,573	-	6,79,573	4.76	-
g) FIs	13,113	-	13,113	0.09	31,274	-	31,274	0.22	0.13
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	1,74,664	-	1,74,664	1.22	1.22
Alternative Investment Funds	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>20,26,691</b>	<b>3,809</b>	<b>20,30,500</b>	<b>14.22</b>	<b>24,59,474</b>	<b>1,195</b>	<b>24,60,669</b>	<b>17.23</b>	<b>3.01</b>
<b>(2) Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	9,66,750	2,838	9,69,588	6.79	9,20,554	2,838	9,23,392	6.47	(0.32)
ii) Overseas	5,41,125	-	5,41,125	3.79	5,41,125	-	5,41,125	3.79	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	19,02,574	2,45,769	21,48,343	15.05	8,27,312	2,11,735	20,39,047	14.28	(0.77)

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% of Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	17,45,568	20,400	17,65,968	13,87,257	20,400	14,07,657	(2.50)
c) Others (specify)							
Non Resident Indians	1,03,291	2,160	1,05,451	1,32,272	2,083	1,34,355	0.20
Overseas Corporate Bodies	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-
Clearing Members	18,445	-	18,445	68,369	-	68,369	0.35
Trusts	-	-	-	215	-	215	0.00
Foreign Bodies - D R	-	-	-	-	-	-	-
Rane Holdings Limited - Unclaimed Shares	74,600	-	74,600	45,706	-	45,706	(0.30)
Suspense Account	-	-	-	-	-	-	-
Investor Education and Protection Fund Authority	-	-	-	35,073	493	35,566	0.25
Ministry of Corporate Affairs	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	<b>53,52,353</b>	<b>2,71,167</b>	<b>56,23,520</b>	<b>49,57,902</b>	<b>2,37,549</b>	<b>51,95,451</b>	<b>(3.00)</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>73,79,044</b>	<b>2,74,976</b>	<b>76,54,020</b>	<b>74,17,376</b>	<b>2,38,744</b>	<b>76,56,120</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,40,02,833</b>	<b>2,74,976</b>	<b>1,42,77,809</b>	<b>1,40,39,065</b>	<b>2,38,744</b>	<b>1,42,77,809</b>	<b>-</b>



(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	At the beginning of the year			At the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Ganesh L & Meenakshi Ganesh	7,12,196	4.99	-	7,12,196	4.99	-	-
2	Raman T G G	14,84,056	10.39	-	14,84,056	10.39	-	-
3	Lakshman L & Pushpa Lakshman	6,62,940	4.64	-	6,62,940	4.64	-	-
4	Rathika R Sundaresan	6,25,066	4.38	-	6,25,066	4.38	-	-
5	Geetha Raman Subramanyam	6,25,065	4.38	-	6,25,065	4.38	-	-
6	Ranjini R Iyer	6,25,065	4.38	-	6,25,065	4.38	-	-
7	Meenakshi Ganesh & L Ganesh	3,05,430	2.14	-	3,05,430	2.14	-	-
8	Vanaja Aghoram	2,75,635	1.93	-	2,75,635	1.93	-	-
9	L Lakshman (HUF)	2,16,986	1.52	-	2,16,986	1.52	-	-
10	Pushpa Lakshman & L Lakshman	1,95,199	1.37	-	1,95,199	1.37	-	-
11	Ganesh L (HUF)	1,91,907	1.34	-	1,91,907	1.34	-	-
12	Shanthi Narayan	1,35,722	0.95	-	1,40,924	0.99	-	0.04
13	Harish Lakshman	1,24,817	0.87	-	1,24,817	0.87	-	-
14	Aditya Ganesh	1,14,281	0.80	-	1,14,281	0.80	-	-
15	Vinay Lakshman	1,06,698	0.75	-	1,06,698	0.75	-	-
16	Aparna Ganesh	68,511	0.48	-	68,511	0.48	-	-
17	T G Ramani	61,452	0.43	-	61,452	0.43	-	-
18	Lakshman L	39,620	0.28	-	39,620	0.28	-	-
19	Malavika Lakshman	18,657	0.13	-	18,657	0.13	-	-
20	Rekha Sundar	15,610	0.11	-	15,610	0.11	-	-
21	Chitra Sundaresan	10,709	0.07	-	8,609	0.06	-	(0.01)
22	Suchitra Narayan	2,979	0.02	-	-	-	-	(0.02)
23	Pravin Kumar	2,800	0.02	-	2,800	0.02	-	-
24	Sumant Narayan	2,223	0.02	-	-	-	-	(0.02)
25	Keshav Harish Lakshman	100	0.00	-	100	0.00	-	-
26	Malavika Lakshman & Harish Lakshman	65	0.00	-	65	0.00	-	-
	<b>Total</b>	<b>66,23,789</b>	<b>46.39</b>	<b>-</b>	<b>66,21,689</b>	<b>46.38</b>	<b>-</b>	<b>(0.01)</b>

## (iii) Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>	<b>66,23,789</b>	<b>46.39</b>	<b>66,23,789</b>	<b>46.39</b>
Chitra Sundaresan	10,709	0.08	10,709	0.08
Shanti Narayan	1,35,722	0.95	1,35,722	0.95
Sumant Narayan	2,223	0.02	2,223	0.02
Suchitra Narayan	2,979	0.02	2,979	0.02
Other Promoters	64,72,156	45.33	64,72,156	45.33
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
Chitra Sundaresan-Transfer of shares by market sale				
13-06-2017	(500)	(0.00)	10,209	0.07
12-12-2017	(1,000)	(0.01)	9,209	0.06
08-02-2018	(600)	(0.00)	8,609	0.06
Shanti Narayan - Acquisition of shares by gift				
19-12-2017	2,223	0.02	1,37,945	0.97
19-12-2017	2,979	0.02	1,40,924	0.99
Sumant Narayan - Transfer of shares by gift				
19-12-2017	(2,223)	(0.02)	-	-
Suchitra Narayan - Transfer of shares by market sale				
19-12-2017	(2,979)	(0.02)	-	-
<b>At the end of the year</b>	<b>66,21,689</b>	<b>46.38</b>	<b>66,21,689</b>	<b>46.38</b>
Chitra Sundaresan	8,609	0.06	8,609	0.06
Shanti Narayan	1,40,924	0.99	1,40,924	0.99
Sumant Narayan	-	-	-	-
Suchitra Narayan	-	-	-	-
Other Promoters	64,72,156	45.33	64,72,156	45.33

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
1	Aditya Birla Sun Life Trustee Private Limited	-	-	09-02-2018	36,900	0.26	Purchase	36,900	0.26
				16-02-2018	70,000	0.49	Purchase	1,06,900	0.75
				02-03-2018	22,000	0.15	Purchase	1,28,900	0.90
				16-03-2018	71,860	0.50	Purchase	20,0,760	1.41
				23-03-2018	15,000	0.11	Purchase	2,15,760	1.51

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
2	L&T Mutual Fund Trustee Limited-L&T Emerging	-	-	16-06-2017	78,699	0.55	Purchase	78,699	0.55
				23-06-2017	51,000	0.36	Purchase	1,29,699	0.91
				30-06-2017	7,101	0.05	Purchase	1,36,800	0.96
				07-07-2017	23,500	0.17	Purchase	1,60,300	1.12
				14-07-2017	7,500	0.05	Purchase	1,67,800	1.18
				28-07-2017	27,700	0.19	Purchase	1,95,500	1.37
				04-08-2017	2,000	0.01	Purchase	1,97,500	1.38
				11-08-2017	2,500	0.02	Purchase	2,00,000	1.40
				18-08-2017	1,452	0.01	Purchase	2,01,452	1.41
				25-08-2017	2,505	0.02	Purchase	2,03,957	1.43
				01-09-2017	1,000	0.01	Purchase	2,04,957	1.44
				15-09-2017	13,000	0.09	Purchase	2,17,957	1.53
				13-10-2017	10,000	0.07	Purchase	2,27,957	1.60
				20-10-2017	9,463	0.07	Purchase	2,37,420	1.66
				10-11-2017	1,663	0.01	Purchase	2,39,083	1.68
				24-11-2017	4,175	0.03	Purchase	2,43,258	1.70
				01-12-2017	5,825	0.04	Purchase	2,49,083	1.75
				08-12-2017	57,938	0.41	Purchase	3,07,021	2.15
				22-12-2017	6,382	0.05	Purchase	3,13,403	2.20
				05-01-2018	3,618	0.03	Purchase	3,17,021	2.22
				12-01-2018	2,439	0.02	Purchase	3,19,460	2.24
				19-01-2018	4,240	0.03	Purchase	3,23,700	2.27
				26-01-2018	26,034	0.18	Purchase	3,49,734	2.45
				02-02-2018	6,500	0.05	Purchase	3,56,234	2.50
				09-02-2018	(55,000)	(0.39)	Transfer	3,01,234	2.11
				23-02-2018	6,000	0.04	Purchase	3,07,234	2.15
				02-03-2018	(19,000)	(0.13)	Transfer	2,88,234	2.02
				09-03-2018	4,826	0.03	Purchase	2,93,060	2.05
				16-03-2018	2,174	0.02	Purchase	2,95,234	2.07
				23-03-2018	6,805	0.05	Purchase	3,02,039	2.12
				30-03-2018	2,695	0.02	Purchase	3,04,734	2.13
				21-04-2017	21,641	0.15	Purchase	21,641	0.15
28-04-2017	9,496	0.07	Purchase	31,137	0.22				
05-05-2017	3,943	0.03	Purchase	35,080	0.25				
12-05-2017	35,642	0.25	Purchase	70,722	0.50				
19-05-2017	360	0.00	Purchase	71,082	0.50				
02-06-2017	10,000	0.07	Purchase	81,082	0.57				
30-06-2017	18,000	0.13	Purchase	99,082	0.69				
17-11-2017	17,650	0.12	Purchase	1,16,732	0.82				
22-12-2017	4,250	0.03	Purchase	1,20,982	0.85				
29-12-2017	5,282	0.04	Purchase	1,26,264	0.88				
05-01-2018	2,176	0.02	Purchase	1,28,440	0.90				
23-03-2018	3,000	0.02	Purchase	1,31,440	0.92				
3	Sundaram Alternative Opportunities Fund - Nano	-	-						

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year					
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company				
4	Sundaram Mutual Fund - Sundaram Select Micro	7,54,113	5.28	14-04-2017	1,290	0.01	Purchase	7,55,403	5.29				
				12-05-2017	16,417	0.12	Purchase	7,71,820	5.41				
				19-05-2017	327	0.00	Purchase	7,72,147	5.41				
				26-05-2017	(33,500)	(0.24)	Transfer	7,38,647	5.17				
				02-06-2017	58,796	0.41	Purchase	7,97,443	5.59				
				16-06-2017	(3,399)	(0.02)	Transfer	7,94,044	5.56				
				23-06-2017	(3,814)	(0.03)	Transfer	7,90,230	5.54				
				30-06-2017	(33,005)	(0.23)	Transfer	7,57,225	5.30				
				07-07-2017	(8,217)	(0.06)	Transfer	7,49,008	5.25				
				14-07-2017	(4,964)	(0.04)	Transfer	7,44,044	5.21				
				30-09-2017	(16)	(0.00)	Transfer	7,44,028	5.21				
				20-10-2017	(2,724)	(0.02)	Transfer	7,41,304	5.19				
				27-10-2017	(39,188)	(0.27)	Transfer	7,02,116	4.92				
				31-10-2017	39,188	0.27	Purchase	7,41,304	5.19				
				03-11-2017	(8,794)	(0.06)	Transfer	7,32,510	5.13				
				17-11-2017	(25,900)	(0.18)	Transfer	7,06,610	4.95				
				08-12-2017	(3,694)	(0.03)	Transfer	7,02,916	4.92				
				26-01-2018	(7,988)	(0.06)	Transfer	6,94,928	4.87				
				02-02-2018	(516)	0.00	Transfer	6,94,412	4.86				
				09-02-2018	(20,425)	(0.14)	Transfer	6,73,987	4.72				
				23-02-2018	(5,894)	(0.04)	Transfer	6,68,093	4.68				
				09-03-2018	(63)	(0.00)	Transfer	6,68,030	4.68				
				16-03-2018	(35,517)	(0.25)	Transfer	6,32,513	4.43				
				23-03-2018	10,769	0.08	Purchase	6,43,282	4.51				
				5	UTI - Dual Advantage Fixed Term Fund Series I	5,53,938	3.88	14-04-2017	21,471	0.15	Purchase	5,75,409	4.03
								21-04-2017	1,988	0.01	Purchase	5,77,397	4.04
19-05-2017	2,166	0.02	Purchase					5,79,563	4.06				
09-06-2017	10,000	0.07	Purchase					5,89,563	4.13				
16-06-2017	(8,353)	(0.06)	Transfer					5,81,210	4.07				
20-10-2017	(6,500)	(0.05)	Transfer					5,74,710	4.03				
10-11-2017	(4,667)	(0.03)	Transfer					5,70,043	3.99				
24-11-2017	(958)	(0.01)	Transfer					5,69,085	3.99				
01-12-2017	(16,306)	(0.11)	Transfer					5,52,779	3.87				
08-12-2017	(8,152)	(0.06)	Transfer					5,44,627	3.82				
12-01-2018	(2,788)	(0.02)	Transfer					5,41,839	3.80				
26-01-2018	(10,603)	(0.07)	Transfer					5,31,236	3.72				
02-02-2018	(3,608)	(0.03)	Transfer					5,27,628	3.70				
09-02-2018	(38,335)	(0.27)	Transfer					4,89,293	3.43				
16-03-2018	(25,741)	(0.18)	Transfer					4,63,552	3.25				
30-03-2018	(62,972)	(0.44)	Transfer					4,00,580	2.81				
6	Nisshinbo Holdings Inc.	5,41,125	3.79	-	-	-	-	5,41,125	3.79				
7	United India Insurance Company Limited	4,31,396	3.02	-	-	-	-	4,31,396	3.02				
8	Enam Securities Pvt Ltd	3,61,541	2.53	29-09-2017	(60,000)	(0.42)	Transfer	3,01,541	2.11				
				30-09-2017	60,000	0.42	Purchase	3,61,541	2.43				

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
9	Anil Kumar Goel	2,25,000	1.58	02-06-2017	(16,000)	(0.11)	Transfer	2,09,000	1.46
				16-06-2017	(79,000)	(0.55)	Transfer	1,30,000	0.91
				09-03-2018	(40,000)	(0.28)	Transfer	90,000	0.63
10	General Insurance Corporation of India	2,18,623	1.53	-	-	-	-	2,18,623	1.53
11	Kumari Investment Corporation Private Limited	1,47,050	1.03	29-09-2017	(80,300)	(0.56)	Transfer	66,750	0.47
				30-09-2017	80,300	0.56	Purchase	1,47,050	1.03
12	V S T Tillers Tractors Limited	1,25,000	0.88	23-03-2018	(2,085)	(0.02)	Transfer	1,22,915	0.86
13	Hiten Anantrai Sheth	1,16,307	0.82	-	-	-	-	1,16,307	0.82
14	Prescient Wealth Management Pvt Ltd	1,13,000	0.79	11-08-2017	4,896	0.03	Purchase	1,17,896	0.83
				29-09-2017	(4,896)	(0.03)	Transfer	1,13,000	0.79
				30-09-2017	4,896	0.03	Purchase	1,17,896	0.83
				26-05-2017	(106)	0.00	Transfer	93,894	0.66
				02-06-2017	(33,894)	(0.24)	Transfer	60,000	0.42
				16-06-2017	(20,000)	(0.14)	Transfer	40,000	0.28
				01-12-2017	(2,000)	(0.01)	Transfer	38,000	0.27
15	Seema Goel	94,000	0.66	08-12-2017	(8,000)	(0.06)	Transfer	30,000	0.21
				05-01-2018	(1,000)	(0.01)	Transfer	29,000	0.20
				12-01-2018	(5)	0.00	Transfer	28,995	0.20
				26-01-2018	(1,495)	(0.01)	Transfer	27,500	0.19
				09-03-2018	(9,927)	(0.07)	Transfer	17,573	0.12
				16-03-2018	(673)	(0.01)	Transfer	16,900	0.12
				01-04-2017	-	-	-	87,968	0.62
16	M M Narayanamma	87,968	0.62	01-04-2017	-	-	-	87,968	0.62
17	S Shyam	81,355	0.57	26-05-2017	(10,000)	(0.07)	Transfer	71,355	0.50
				16-06-2017	(6,500)	(0.05)	Transfer	64,855	0.45
18	Rane Holdings Limited - Unclaimed Shares Suspense	74,600	0.52	01-04-2017	-	-	-	74,600	0.52
				15-09-2017	(74)	0.00	Transfer	74,526	0.52
				22-09-2017	(1,480)	(0.01)	Transfer	73,046	0.51
				27-10-2017	(37)	0.00	Transfer	73,009	0.51
				01-12-2017	(27,252)	(0.19)	Transfer	45,757	0.32
16-03-2018	(51)	0.00	Transfer	45,706	0.32				

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

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>	<b>24,49,160</b>	<b>17.15</b>	<b>24,49,160</b>	<b>17.15</b>
Ganesh L & Meenakshi Ganesh	10,17,626	7.13	10,17,626	7.13
Lakshman L & Pushpa Lakshman	8,97,759	6.29	8,97,759	6.29
Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Harish Lakshman & Malavika Lakshman	65	0.00	65	0.00
Ganesh L (HUF)	1,91,907	1.34	1,91,907	1.34
Lakshman L (HUF)	2,16,986	1.52	2,16,986	1.52
Date wise Increase / Decrease in directors and key managerial personnel during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): No Change				
<b>At the end of the year</b>	<b>24,49,160</b>	<b>17.15</b>	<b>24,49,160</b>	<b>17.15</b>
Ganesh L & Meenakshi Ganesh	10,17,626	7.13	10,17,626	7.13
Lakshman L & Pushpa Lakshman	8,97,759	6.29	8,97,759	6.29
Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Harish Lakshman & Malavika Lakshman	65	0.00	65	0.00
Ganesh L (HUF)	1,91,907	1.34	1,91,907	1.34
Lakshman L (HUF)	2,16,986	1.52	2,16,986	1.52

## V. Indebtedness:

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

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	15,18,75,000	-	-	15,18,75,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35,47,795	-	-	35,47,795
<b>Total (i+ii+iii)</b>	<b>15,54,22,795</b>	<b>-</b>	<b>-</b>	<b>15,54,22,795</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	20,31,52,055	-	-	20,31,52,055
Reduction	(7,03,49,502)	-	-	(7,03,49,502)
<b>Net Change</b>	<b>13,28,02,553</b>	<b>-</b>	<b>-</b>	<b>13,28,02,553</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	28,36,68,508	-	-	28,36,68,508
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45,56,840	-	-	45,56,840
<b>Total (i+ii+iii)</b>	<b>28,82,25,348</b>	<b>-</b>	<b>-</b>	<b>28,82,25,348</b>

## Vi Remuneration of Directors and Key Managerial Personnel:

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager:

		Amount in ₹
Sl. No.	Particulars of Remuneration	Managing Director L Ganesh®
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,31,48,318
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	23,97,213
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit	62,35,000
5	Others, please specify	-
<b>Total (A)</b>		<b>2,17,80,531</b>
<b>*Ceiling as per the Act (being 5% of Net Profit calculated as per Section 198 of Companies Act, 2013)</b>		<b>3,11,87,108</b>

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

@ Appointed as Chairman & Managing Director w.e.f. 01 April, 2017

### B. Remuneration to other Directors:

		Amount in ₹							
S. No.	Particulars of Remuneration	Name of Directors							Total Amount
		L Lakshman*	Harish Lakshman	Rajeev Gupta^	Shujaat Khan^^	V Sumantran	Anjanikumar Choudhari	Sheela Bhide	
<b>1</b>	<b>Independent Directors</b>								
a	Fee for attending board / committee meetings	-	-	1,35,000	-	3,15,000	3,25,000	1,90,000	<b>9,65,000</b>
b	Commission	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-
<b>Total (1)</b>		-	-	<b>1,35,000</b>	-	<b>3,15,000</b>	<b>3,25,000</b>	<b>1,90,000</b>	<b>9,65,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>								
a	Fee for attending board / committee meetings	1,95,000	2,10,000	-	-	-	-	-	<b>4,05,000</b>
b	Commission	1,00,00,000	-	-	-	-	-	-	<b>1,00,00,000</b>
c	**Others, please specify (Perquisites)	2,01,077	-	-	-	-	-	-	<b>2,01,077</b>
<b>Total (2)</b>		<b>1,03,96,077</b>	<b>2,10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,06,06,077</b>
<b>Grand Total B (1+2)</b>		<b>1,03,96,077</b>	<b>2,10,000</b>	<b>1,35,000</b>	<b>-</b>	<b>3,15,000</b>	<b>3,25,000</b>	<b>1,90,000</b>	<b>1,15,71,077</b>
<b>Grand Total (A+B)</b>									<b>3,33,51,608</b>
<b>Overall ceiling as per the Act (being 11% of Net Profit calculated as per Section 198 of Companies Act, 2013)</b>									<b>6,86,11,638</b>

\* Designated as Chairman Emeritus w.e.f. 01 April, 2017

^ Appointed as Director w.e.f. 31 August, 2017

^^ Ceased to be a Director on conclusion of 81<sup>st</sup> AGM held on 31 August, 2017

\*\* Advisory fees paid to Chairman Emeritus ₹1 crore not included above

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

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer J Ananth	Company Secretary Siva Chandrasekaran	Total
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	37,11,021	56,99,228	<b>94,10,249</b>
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	55,080	1,04,537	<b>1,59,617</b>
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit	-	-	-
5	Others, please specify	-	-	-
<b>Total (C)</b>		<b>37,66,101</b>	<b>58,03,764</b>	<b>95,69,866</b>

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

There were no penalties, punishment or compounding of offences during the year ended 31 March, 2018.

For and behalf of the Board

Chennai  
07 May, 2018

**Harish Laskhman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and  
Managing Director  
DIN: 00012583



## ANNEXURE F TO REPORT OF THE BOARD OF DIRECTORS

# CORPORATE GOVERNANCE REPORT

### 1. Philosophy on Code of Governance

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

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

### 2. Board of Directors

#### Composition, Attendance & Meetings

As of 31 March, 2018, the Board of Directors of the Company has six (6) non-executive directors and one (1) executive Chairman, with majority being Independent Directors. The

composition of the Board is in conformity with the Regulation 17 of SEBI LODR. The woman director of the Company is an Independent Director and there are no alternate directors appointed on the Board. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. None of the directors on the Board, is a member of more than 10 committees or chairperson of more than 5 committees across all listed and unlisted public companies in which he /she is a director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the financial year 2017-18 on 26 May, 2017; 31 August, 2017; 05 December, 2017; 06 February, 2018 and 29 March, 2018. The names and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of directorships and committee memberships / chairperson position(s) held by them in other public companies as on 31 March, 2018 are given below:

Name of the Director / (DIN)	Category	No. of board meetings attended	Attendance at the last AGM (31 August, 2017)	Number of Directorship in other public companies #		Number of Committees Membership ®	
				Chairperson	Member	Chairperson	Member
Mr. L Lakshman (00012554)	Chairman Emeritus, Non-Executive & Promoter	4	Yes	-	5	1	5
Mr. L Ganesh (00012583)	Chairman, Managing Director & Promoter	5	Yes	3	5	-	5
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	4	Yes	-	4	1	2
Mr. Anjanikumar Choudhari (00029017)	Non-Executive & Independent	5	Yes	-	-	-	-
Dr. V Sumantran (02153989)	Non-Executive & Independent	5	Yes	-	1	-	1
Dr. (Ms.) Sheela Bhide (01843547)	Non-Executive & Independent	4	Yes	1	3	2	3

Name of the Director / (DIN)	Category	No. of board meetings attended	Attendance at the last AGM (31 August, 2017)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Rajeev Gupta^ (00062582)	Non-Executive & Independent	3	N.A.	1	6	-	5
Mr. Shujaat Khan* (00526891)	Non-Executive & Independent	-		Not Applicable			

\* Mr. Shujaat Khan has ceased to be a director with effect from conclusion of the 81<sup>st</sup> Annual General Meeting held on 31 August, 2017, as he did not seek re-appointment as an Independent Director for a second term.

^ Mr. Rajeev Gupta was appointed as an additional director in the category of Independent Director at the Board Meeting held on 31 August, 2017.

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

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

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

The information as prescribed under Part A of Schedule II pursuant to Regulation 17(7) of SEBI LODR such as annual operating plans

and budgets, quarterly results for the Company, minutes of meetings of audit committee and other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. are discussed by the Board of Directors.

Annual calendar for the Board and its committee meetings is circulated in advance to the directors for their planning. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has post board meeting reviews to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

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

The details of familiarisation programme for the independent directors are disclosed in the website of the Company [http://ranegroup.com/rhl\\_investors/familiarisation-programme-for-independent-directors/](http://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-directors/)

### 3. Audit Committee

#### Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year 26 May, 2017; 31 August, 2017, 05 December, 2017 and 06 February, 2018. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings attended
Mr. Anjanikumar Choudhari	Chairman, Non-Executive & Independent	4
Mr. L Ganesh	Member, Executive & Promoter	4
Dr. V Sumantran	Member, Non-Executive & Independent	4
Mr. Shujaat Khan^	Member, Non-Executive & Independent	-

^ ceased to be a member upon not seeking re-appointment at the 81<sup>st</sup> AGM held on 31 August, 2017

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

The Company Secretary acts as the Secretary to the Committee.

The statutory auditors and the internal auditors were present as invitees in all the meetings. The Vice President (Finance) & 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.

#### Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (the "Board") in reviewing the financial information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal auditors and overseeing the

Company's accounting and financial reporting processes and the audit of the Company's financial statements.

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013. In line with these provisions, the Company has framed an Audit Committee Charter, which is subject to review by the Audit Committee.

The roles of the Audit Committee inter-alia, includes, review of:

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

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

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

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

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

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

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

##### Composition, Attendance and Meetings:

The Nomination and Remuneration Committee (NRC) of the Board in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met three (3) times during the year 26 May, 2017; 31 August, 2017 and 06 February, 2018. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings attended
Mr. Anjanikumar Choudhari	Chairman, Non-Executive & Independent	3
Dr. V Sumantran	Member, Non-Executive & Independent	3
Mr. Harish Lakshman	Member, Non-Executive & Promoter	2
Mr. L Lakshman <sup>^</sup>	Member, Non-Executive & Promoter	1

<sup>^</sup> inducted for the meeting held on 26 May, 2017 only.

##### Terms of Reference:

- To formulate criteria for determining qualifications, positive attributes and independence of director for

evaluation of performance of Independent Directors and the Board.

- To approve the remuneration policy of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- To devise policy on Board diversity.
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the executive directors.
- To evaluate performance, recommend and review remuneration of the executive directors based on their performance.
- To recommend to the Board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation.
- To consider and recommend professional indemnity and liability insurance for Directors, KMP and SMP.

During the year, the NRC considered inter alia, reviewed the process for evaluation of the Board, its Committee & Directors and the compensation and benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of the Company. It had also recommended the re-appointment of Independent Director Mr. Anjanikumar Choudhari, in his second term, at the 81<sup>st</sup> AGM; remuneration by way of salary and commission payable to Mr. L Lakshman and Mr. L Ganesh as per the terms of their appointment; and appointment of Mr. Rajeev Gupta as an additional director (in the category of Independent) on the Board of the Company.

#### Remuneration Policy

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

#### Sitting Fees

The Company has paid sitting fees apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. The sitting fees per meeting of Board and its Committees with effect 01 April, 2017 are detailed hereunder:

Type of Meeting	Sitting fees per meeting (₹)
Board	45,000
Audit committee	15,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000

Type of Meeting	Sitting fees per meeting (₹)
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

#### Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended 31 March, 2018 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on 31 March, 2018@
Mr. L Ganesh	-	2,17,80,531	12,09,533
Mr. Harish Lakshman	2,10,000	-	1,24,882
Mr. L Lakshman	1,95,000	1,02,01,077	11,14,745
Mr. Anjanikumar Choudhari	3,25,000	-	-
Dr. V Sumantran	3,15,000	-	-
Mr. Shujaat Khan	-	-	-
Dr. (Ms.) Sheela Bhide	1,90,000	-	-
Mr. Rajeev Gupta^	1,35,000	-	-

@ includes joint holdings & HUF, if any

^ Appointed as an additional director (Independent) w.e.f 31 August, 2017

#### Note:

- No other remuneration was paid to non-executive directors except sitting fees.
- Remuneration paid to Mr. L Lakshman, Chairman Emeritus and Mr. L Ganesh, Chairman & Managing Director are based on recommendation of Nomination and Remuneration Committee, pursuant to approval of the Board of Directors at their meeting held on 31 August, 2017 and based on shareholder's approval vide postal ballot results declared on 16 May, 2017. The remuneration paid to Mr. L Ganesh comprises of salaries & allowances - ₹ 1,15,71,201; perquisites - ₹ 20,77,833; Company's contribution to employee benefits fund - ₹ 18,96,497 and commission & performance linked incentive - ₹ 62,35,000. The remuneration paid to Mr. L Lakshman comprises of perquisites - ₹ 2,01,077 and commission & performance linked incentive ₹ 1,00,00,000 but excludes advisory fees of ₹ 1,00,00,000 paid to Chairman Emeritus.
- No shares were pledged by the directors. None of the other directors holds any share in the Company. There is no stock option scheme prevailing in the Company.

## 5. Stakeholder's Relationship Committee

### Composition & Attendance of Meetings:

The Stakeholder's Relationship Committee looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as Secretary of the Committee. The Committee met three (3) times during the year 26 May, 2017, 31 August, 2017 and 06 February, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. Harish Lakshman	Chairman, Non-Executive & Promoter	2
Mr. L Ganesh	Member, Executive & Promoter	3
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	2

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

	Nature of Complaint	Received during the year	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	Non-receipt of annual report	1	1	-
Through Registrar & Transfer Agent	Non-receipt of transmission procedures, new share certificates issued after amalgamation & loss of share certificates.	3	3	-
Directly to Company	-	-	-	-

During the year no complaints were received under the SEBI Complaints Redress System (SCORES). There are no investor complaints pending unresolved at the end of the financial year 2017-18.

## 6. Corporate Social Responsibility (CSR) Committee

The CSR activities of the Company focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment. The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee. During the year the Committee met twice on 26 May, 2017 and 06 February, 2018 was attended by all the members of the Committee. The composition of committee is as follows:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non-Executive & Promoter	1
Mr. L Ganesh	Member, Executive & Promoter	2
Mr. Anjanikumar Choudhari	Member, Non-Executive & Independent	2

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

The terms of reference of the Committee are as follows

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

The report on CSR projects undertaken during the year 2017-18 as approved by the CSR committee in consultation with the Board is annexed to Director's Report as 'Annexure D'.

## 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. The Committee reports the details of transfer of securities to the Board at each meeting of the Board. No sitting fees payable to the committee members.

### Strategy & Investment Committee

The Strategy & Investment Committee (SIC) was constituted in connection with explore and study detailed proposals with respect to investment options and divestment decisions, evaluate and recommend corporate re-structure proposals, to make investments by way of subscription to the securities as approved and authorized by the board and to exercise the such powers delegated by the Board. No sitting fees is payable to the committee members. During the year four meetings were held on 28 April, 2017; 03 August, 2017; 12 October, 2017 and 02 November, 2017. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non-Executive & Promoter	4
Mr. L Ganesh	Member, Executive & Promoter	4
Mr. Harish Lakshman	Member, Non-Executive & Promoter	4
Mr. V Sumantran <sup>^</sup>	Member, Non-Executive & Independent	2

<sup>^</sup> inducted as member of the Committee w.e.f. 26 May, 2017

The SIC has been dissolved by the Board of Directors at their meeting held on 05 December, 2017, since the matters for which the Committee was constituted & recommendations made to the Board were duly considered and approved by the Board.

### Finance Committee & Executive Committee

The Finance Committee has been constituted to exercise the borrowing powers delegated by the Board, to approve the financial facilities in connection with the capital expenditures and working capital expenditures of the Company, as per the Annual Operating Plans approved by the Board and to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board. No meeting was held during the year. The Committees comprise of Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year no meetings were held.

### 8. Code of conduct

The board of directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all board members and employees of the Company

in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company viz., [http://ranegroup.com/rhl\\_investors/code-of-conduct/](http://ranegroup.com/rhl_investors/code-of-conduct/). The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Chairman & Managing Director of the Company to this effect forms part of this report.

### Prevention of Insider Trading

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

### 9. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue
31 August, 2017 (81 <sup>st</sup> AGM)	Re-appointment of Mr. Anjanikumar Choudhari as an Independent Director for a second term	10.15 am	
11 August, 2016 (80 <sup>th</sup> AGM)	No Special resolution was passed	10.15 am	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014.
12 August, 2015 (79 <sup>th</sup> AGM)	Mortgage / create charge on assets under Section 180(1)(a) of the Companies Act, 2013. Adoption of new set of article of Association of the company	10.30 am	

### Postal Ballot

During the year 2017-18, the Company had inter-alia proposed one special resolution for approval of the shareholders vide Postal Ballot Notice dated 26 May, 2017,

the details of which, in brief, are given below.

1. The Board of Directors at their meeting held on 26 May, 2017 appointed Mr. Balu Sridhar, Practising Company Secretary and partner in M/s. A K Jain and Associates as Scrutinizer for conducting the Postal Ballot / e-voting process in a fair and transparent manner.
2. Postal Ballot notices were dispatched to all the members on 12 June, 2017 for conducting the voting in respect of resolution as set out in notice dated 26 May, 2017. The cut-off date for determining voting rights was 02 June, 2017.
3. The Company had also provided the option of e-voting through the NSDL platform, thereby giving the members the option to cast their votes electronically.
4. The e-voting was kept open from 13 June, 2017 (09.00 a.m. IST) to 12 July, 2017 (05.00 p.m. IST).
5. Particulars of all the postal ballots received from the members have been entered in a register separately maintained for the purpose. The postal ballots were kept in the safe custody of the Scrutinizer and were handed over to the Company on completion.
6. All postal ballot forms received up to the close of working hours on 12 July, 2017 (05.00 p.m. IST) the last date and time fixed by the Company for receipt of the forms, were considered by the Scrutinizer.
7. Mr. Harish Lakshman, Vice Chairman announced the combined results of the postal ballot and e-voting on 14 July, 2017 and the voting pattern of the same is as under:

Name of the resolution	Type of resolution	No. of valid votes polled	Votes cast in favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
To make loan(s) / give guarantee(s) / provide security (ies) in connection with loan(s) / acquire by way of subscription, purchase or otherwise, the securities of any other bodies corporate under section 186 of the Companies Act, 2013	Special	86,82,268	86,80,216	99.98	2,052	0.02

## 10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., which were in conflict with the interests of the Company. The transactions entered with related parties during the year were covered under the omnibus approval of the Audit Committee and were in the ordinary course and arms' length. The details of the related party transactions as per Ind AS as stated in note no. 36 of the financial statements. The policy on related party transaction is available on the website of the Company viz. URL: [http://ranegroup.com/rhl\\_investors/policy-on-related-party-transactions/](http://ranegroup.com/rhl_investors/policy-on-related-party-transactions/)
2. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
3. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
4. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
5. The Company has complied with all the mandatory requirements prescribed under Chapter IV of the SEBI LODR.  
  
The Company has complied with the following non-mandatory requirements:
  - (i) adopting best practices to ensure a regime of unqualified financial statements
  - (ii) individual communication of half-yearly performance including summary of the significant events to shareholders
  - (iii) internal auditor directly reporting to the Audit Committee
6. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference

framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.

7. The Company has framed a policy for determining “material subsidiary” and the same is available on the Company’s website. (Link: [http://ranegroup.com/rhl\\_investors/rhl-policy-on-material-subsidiaries/](http://ranegroup.com/rhl_investors/rhl-policy-on-material-subsidiaries/) )
8. The Independent Directors have confirmed that they meet the criteria of ‘Independence’ as stipulated under Sec 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.
9. The Chairman & Managing Director and CFO of the Company have certified to the Board on the integrity of the financial statements, effectiveness of internal controls and significant changes in internal control /accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
10. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

### 13. General Shareholder Information

- i. Information about director(s) seeking appointment / re-appointment in this Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2) as on 07 May, 2018:

Name of the Director	Mr. Harish Lakshman	Mr. Rajeev Gupta	Dr. (Ms.) Sheela Bhide
Father’s Name	Mr. L Lakshman	Mr. Bodhraj Gupta	Col. Damodar N Thakar
Director Identification Number (DIN)	00012602	00241501	01843547
Age (in years)	44	60	69
Date of Birth	12 February, 1974	19 March, 1958	12 June, 1948
Educational Qualifications	B.E. – BITS Pilani, MSM - Purdue University, USA.	B. Tech, Banaras Hindu University, Varanasi, MBA at IIM, Ahmedabad.	Ph.D. (International Trade), Masters in Economics, Masters in Public Administration, MBA (Finance).

### 11. Whistle blower mechanism:

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

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. The whistle blower policy has also been posted in the Company’s website [http://ranegroup.com/rhl\\_investors/rhl-whistle-blower-policy/](http://ranegroup.com/rhl_investors/rhl-whistle-blower-policy/)

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

### 12. Means of communication

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

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



<b>Experience</b>	Mr. Harish Lakshman has over 23 years of industrial experience and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for Rane Group. During the year, he was designated as Vice Chairman of the Company and Rane (Madras) Limited.	Mr. Rajeev Gupta is a veteran investment banker and has over 35 years of rich professional experience in the fields of manufacturing, investment banking and private equity.	Dr. Sheela Bhide is an IAS officer of the 1973 batch and has over 43 years of experience. During her tenure she has held key posts in various Ministries such as Commerce, Defence and External Affairs.
<b>Date of first appointment on the board</b>	19 May, 2004	Being appointed in 1 <sup>st</sup> term as Independent Director under Companies Act 2013: 31 August, 2017	1 <sup>st</sup> term as Independent Director under Companies Act 2013: 13 November, 2014
<b>Terms and Conditions of appointment</b>	Appointment as a non-executive director, liable to retire by rotation.	Proposed to be appointed as Independent Director in first term as per the Notice convening the 82 <sup>nd</sup> AGM read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per the Notice convening the 82 <sup>nd</sup> AGM read with explanatory statement thereto.
<b>Last drawn remuneration</b>	Sitting fee for FY 2017-18 ₹ 2,10,000	Sitting fee for FY 2017-18 ₹ 1,35,000	Sitting fee for FY 2017-18 ₹ 1,90,000
<b>Remuneration sought to be paid</b>	No approval sought for remuneration.  Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration.  Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration.  Eligible for sitting fee for attending meetings of the Board and Committees of which she is a member.
<b>Relationship with other Directors/Manager/ KMP</b>	Son of Mr. L Lakshman	-	-
<b>Other Directorships</b>	<p><b>Chairman</b></p> <p>1. Rane t4u Private Limited</p> <p><b>Vice Chairman</b></p> <p>1. Rane (Madras) Limited</p> <p>2. Rane Engine Valve Limited</p> <p><b>Managing Director</b></p> <p>1. Rane TRW Steering Systems Private Limited</p> <p><b>Director</b></p> <p>1. Rane Brake Lining Limited</p> <p>2. Rane NSK Steering Systems Private Limited</p> <p>3. JMA Rane Marketing Limited</p> <p>4. Young Presidents Organisation (Chennai Chapter)</p> <p>5. Savithur Enterprises Private Limited</p> <p>6. HL Hill Station Properties Private Limited</p> <p>7. Rane Holdings America Inc.</p> <p>8. Rane Precision Die Casting Inc.</p>	<p><b>Chairman</b></p> <p>1. Vardhman Special Steels Limited</p> <p><b>Whole-time Director</b></p> <p>1. Arpwood Capital Private Limited</p> <p><b>Director</b></p> <p>1. EIH Limited</p> <p>2. Cosmo Films Limited</p> <p>3. T.V. Today Network Limited</p> <p>4. V I P Industries Limited</p> <p>5. United Spirits Limited</p> <p>6. TVS Capital Funds Private Limited</p> <p>7. Small Business Fincruit India Private Limited</p>	<p><b>Chairperson</b></p> <p>1. Suryoday Small Finance Bank Limited</p> <p><b>Director</b></p> <p>1. L &amp; T Metro Rail (Hyderabad) Limited</p> <p>2. Gati-Kintetsu Express Private Limited</p> <p>3. Gati Limited</p>

<b>Committee Memberships in other Boards</b>	<b>Chairman – Stakeholders’ Relationship</b> 1. Rane Brake Lining Limited <b>Member – Stakeholders’ Relationship</b> 1. Rane (Madras) Limited	<b>Member – Audit</b> 1. EIH Limited 2. Cosmo Films Limited 3. T.V. Today Network Limited 4. United Spirits Limited <b>Member – Audit &amp; Governance</b> 1. TVS Capital Funds Private Limited <b>Member – Nomination &amp; Remuneration</b> 1. EIH Limited 2. Vardhman Special Steels Limited <b>Member – Risk Management</b> 1. United Spirits Limited <b>Member – Risk &amp; Operations Management</b> 1. Cosmo Films Limited <b>Member – Corporate Social Responsibility</b> 1. EIH Limited 2. TVS Capital Funds Private Limited	<b>Chairperson – Audit</b> 1. L & T Metro Rail (Hyderabad) Limited <b>Chairperson – Stakeholders’ Relationship</b> 1. Suryoday Small Finance Bank Limited <b>Chairperson – Nomination &amp; Remuneration</b> 1. Gati-Kintetsu Express Private Limited <b>Chairperson – Corporate Social Responsibility</b> 1. Gati Limited <b>Member – Audit</b> 1. Suryoday Small Finance Bank Limited 2. Gati-Kintetsu Express Private Limited <b>Member – Nomination &amp; Remuneration</b> 1. Suryoday Small Finance Bank Limited 2. L & T Metro Rail (Hyderabad) Limited <b>Member – IT Strategy</b> 1. Suryoday Small Finance Bank Limited <b>Member – Customer Service</b> 1. Suryoday Small Finance Bank Limited <b>Member – Corporate Social Responsibility</b> 1. Gati-Kintetsu Express Private Limited
<b>Number of meetings of the Board attended during the year</b>	Four (4)	Three (3)	Four (4)
<b>Number of equity shares held (including joint holding, if any)</b>	1,24,882	Nil	Nil

## II. Annual General Meeting

### 02 August, 2018 (Thursday) at 10.15 hrs.

The Music Academy (Mini Hall),  
New No.168, T T K Road,  
Royapettah, Chennai 600 014

### iii Financial Year: 01 April - 31 March

#### Financial Calendar:

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended 31 March, 2018	07 May, 2018
Un-audited results for the 1st quarter ending 30 June, 2018	By first week of August 2018
Un-audited results for the 2nd quarter ending 30 September, 2018	By last week of October 2018
Un-audited results for the 3rd quarter ending 31 December, 2018	By second week of February 2019

#### iv Dividend

During the year 2017-18, the board of directors declared an interim dividend of 55% (i.e., ₹ 5.50 per share) on the equity share capital on 06 February, 2018. The interim dividend was paid on 26 February, 2018 to all the eligible shareholders whose name appeared in the register of members of the Company as on 17 February, 2018 (being the Record Date) fixed for this purpose.

The board of directors of the Company at their meeting held on 07 May, 2018 have considered and recommended a dividend of 90% (₹ 9.00 per share) on the equity share capital for approval of the shareholders at the ensuing 82<sup>nd</sup> AGM to be held on 02 August, 2018. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on 26 July, 2018 (being the Record Date) fixed for this purpose.

## v Listing on Stock Exchanges

Stock Exchanges	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	RANEHOLDIN
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	505800

#### Listing Fee

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2017 - 18 to NSE & BSE where the shares of the Company continue to be listed.

#### vi Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended 31 March, 2011 and thereafter which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the year, the Company had transferred to IEPF, being unclaimed final dividend of ₹ 1,35,316/- for the financial year ended 31 March, 2010 and being interim dividend amount of ₹ 4,66,815/- for the financial year ended 31 March, 2011. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:-

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2018) (₹)^	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2011	05.08.2011	5.00	3,49,675.00	10.09.2018	10.10.2018
31.03.2012*	06.02.2012	6.00	4,20,270.00	13.03.2019	12.04.2019
31.03.2012	10.08.2012	4.00	2,80,624.00	15.09.2019	15.10.2019
31.03.2013*	06.02.2013	3.50	2,89,089.50	14.03.2020	13.04.2020
31.03.2013	12.08.2013	4.50	3,56,778.00	17.09.2020	17.10.2020
31.03.2014	12.08.2014	6.50	544,602.50	17.09.2021	17.10.2021
31.03.2015	12.08.2015	7.50	6,81,435.00	17.09.2022	17.10.2022
31.03.2016*	10.03.2016	10.00	8,58,570.00	15.04.2023	15.05.2023
31.03.2017*	09.02.2017	3.50	3,68,218.00	17.03.2024	16.04.2023
31.03.2017	31.08.2017	5.00	4,76,770.00	06.10.2024	05.11.2024

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

\* Interim dividend

^ amounts reflect confirmation of balance issued by banks.

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on 31 August, 2017 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. <http://ranegroup.com>.

In respect of interim dividend of ₹ 5.50 per share declared by the board of directors on 06 February, 2018, unpaid / unclaimed dividend has been transferred to an unclaimed dividend account on 14 March, 2018. The last date for claiming such amount in terms of Section 124 of the Companies Act 2013 is 14 March, 2025.

#### vii Transfer of shares to IEPF Authority

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

The Ministry of Corporate Affairs has notified DP Accounts to which such shares are required to be transferred. During the year, the Company has initiated transfer / transferred such shares to the IEPF Authority as under:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2009-10 (Interim)	34,227
2009-10 (Final)	846
2010-11 (Interim)	796

The shareholders, however, may claim the said shares along with corporate actions accrued by following the procedure prescribed by the IEPF authority.

The shares relating to unclaimed dividend for FY 2010-11 (Final) and FY 2011-12 (Interim) are liable to be transferred to IEPF Authority during the FY 2018-19. An intimation in this regard would be sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest known addresses. In accordance with the said rules, the Company shall also publish notices in newspapers and requisite details would be made available on the Investors section of the Company’s website: <http://ranegroup.com/>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

#### viii Unclaimed share suspense account

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

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	579	74,600
Requests for transfer during the year	271	28,894
Transfers during the year	271	28,894
Balance at the end of the year	308	45,706

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

#### ix Share Price Data:

The share price data as quoted on the National Stock Exchange of India Ltd. (NSE) and Bombay Stock Exchange Ltd. (BSE) along with the movement in the respective stock index during the last financial year viz., 01 April, 2017 – 31 March, 2018 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2017	1,085.00	880.10	30,184.22	29,241.48	1,068.00	882.40	9,367.15	9,075.15
May 2017	1,155.00	962.00	31,255.28	29,804.12	1,155.70	964.05	9,649.60	9,269.90
June 2017	1,949.90	1,150.00	31,522.87	30,680.66	1,950.00	1,150.00	9,709.30	9,448.75
July 2017	1,866.10	1,652.00	32,672.66	31,017.11	1,864.35	1,660.00	10,114.85	9,543.55
August 2017	1,719.95	1,530.95	32,686.48	31,128.02	1,721.95	1,520.05	10,137.85	9,685.55
September 2017	2,019.00	1,630.40	32,524.11	31,081.83	2,020.00	1,625.15	10,178.95	9,687.55
October 2017	1,899.00	1,690.90	33,340.17	31,440.48	1,925.00	1,695.00	10,384.50	9,831.05
November 2017	2,038.00	1,731.00	33,865.95	32,683.59	2,045.00	1,740.05	10,490.45	10,094.00
December 2017	2,463.20	1,742.90	34,137.97	32,565.16	2,463.90	1,760.50	10,552.40	10,033.35
January 2018	2,713.25	2,215.00	36,443.98	33,703.37	2,709.65	2,212.25	11,171.55	10,404.65
February 2018	2,665.00	2,152.00	36,256.83	33,482.81	2,625.00	2,245.00	11,117.35	10,276.30
March 2018	2,752.00	2,331.00	34,278.63	32,483.84	2,799.00	2,342.80	10,525.50	9,951.90

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

**xii Distribution of shareholding as on 31 March, 2018**

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	8,867	90.21	7,35,325	5.15
501 – 1000	408	4.15	3,01,900	2.11
1001 – 2000	196	1.99	2,81,863	1.97
2001 – 3000	101	1.03	2,55,047	1.79
3001 – 4000	40	0.41	1,39,900	0.98
4001 – 5000	26	0.27	1,18,522	0.83
5001 – 10000	77	0.78	5,78,912	4.06
10001 & above	114	1.16	1,18,66,340	83.11
<b>Total</b>	<b>9,829</b>	<b>100.00</b>	<b>1,42,77,809</b>	<b>100.00</b>

**xiii Shares**

**Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depository Services (India) Limited for dematerialisation of the shares held by investors. As of 31 March, 2018, about 98.33% of the shareholdings have been dematerialised.

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

Particulars	Number of shares		% to total capital	
	As on 31 March, 2018	As on 31 March, 2017	As on 31 March, 2018	As on 31 March, 2017
Physical	2,38,744	2,74,976	1.67	1.93
Demat	1,40,39,065	1,40,02,833	98.33	98.07
<b>Total</b>	<b>1,42,77,809</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>100.00</b>

demat / remat requests in coordination with the RTA. Share transfers and transmissions are approved and registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / 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 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

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

Reconciliation of share capital audited by practicing company secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed.

Demat ISIN: **INE384A01010**

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

**xiv Address for communication:**

The Compliance officer  
Rane Holdings Limited,  
Rane Corporate Centre,  
"Maithri" 132, Cathedral Road,  
Chennai 600 086.  
Ph.28112472, Fax: 28112449  
E-mail: investorservices@ranegroup.com

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

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**To**

**The Members**

**Rane Holdings Limited**

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

I, hereby declare that to the best of my knowledge and information, all the Board Members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour – RANE COMPASS', the code of conduct, for the year ended 31 March, 2018.

Chennai  
07 May, 2018

**L Ganesh**  
Chairman & Managing Director  
DIN :00012583

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO  
THE MEMBERS OF  
**RANE HOLDINGS LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 08 September 2017.
2. We, Deloitte Haskins & Sells, Chennai, Chartered Accountants, the Statutory Auditors of Rane Holdings Limited ("Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March, 2018, as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and paras C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Management's responsibility

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

### Auditor's Responsibility

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

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and paras C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2018.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Deloitte Haskins & Sells**

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

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

Chennai,  
07 May, 2018

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Rane Holdings Limited

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Rane Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the separate financial statements, referred to in the Other Matters paragraph above 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 in so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.



- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells**

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

**Ananthi Amarnath**

Partner  
(Membership No. 209252)

Chennai,  
07 May, 2018

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of Rane Holdings Limited ("the Company") as of 31 March, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

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

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

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

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

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

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at 31 March, 2018, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells**

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

**Ananthi Amarnath**

Partner  
(Membership No. 209252)

Chennai,  
07 May, 2018

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / court order approving scheme of arrangement / amalgamation provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- Immovable properties of land whose title deed have been pledged with the lender as security for term loan, are held in the name of the Company based on the Mortgage deed executed between the lender and the Company for which confirmations have been obtained from the lender.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and service Tax Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and service tax Cess and other material statutory dues in arrears as at 31 May, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax and Excise Duty which have not been deposited as on 31 March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-06, 2008-09, 2009-10, 2011-12 to 2015-16.	1,610	1,316
Finance Act, 1994	Service tax	Customs, Excise & Service Tax Appellate Tribunal	2006-07 to 2011-12	2	1
Customs Act, 1962	Custom Duty	Customs, Excise & Service Tax Appellate Tribunal	2012-13	6	6

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has not issued any debentures and has not taken any loans from banks and government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer.

- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**

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

**Ananthi Amarnath**

Partner

(Membership No. 209252)

Chennai,  
07 May, 2018

# BALANCE SHEET

AS AT 31 MARCH, 2018

₹ Lakhs

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a. Property, plant and equipment	3	8,786	8,877	9,008
b. Capital Work in Progress	3	388	160	-
c. Intangible Assets	4	41	43	18
d. Financial Assets				
i. Investments	5	29,453	19,950	21,650
ii. Loans	6	1	828	837
iii. Other Financial assets	7	4	6	9
e. Other Non-Current Assets	8	27	42	9
f. Non-current tax assets (Net)	9	735	732	766
g. Deferred tax assets (Net)	10	3	-	-
<b>Total non-current assets</b>		<b>39,438</b>	<b>30,638</b>	<b>32,297</b>
<b>Current Assets</b>				
a. Financial Assets				
i. Investments	11	792	5,273	876
ii. Trade Receivables	12	1,191	586	383
iii. Cash and Cash Equivalents	13.a.	49	389	154
iv. Bank balances other than above	13.b.	46	45	41
v. Loans	6	6	11	15
vi. Other Financial assets	7	7	65	75
b. Other Current Assets	14	254	182	191
<b>Total current assets</b>		<b>2,345</b>	<b>6,551</b>	<b>1,735</b>
<b>TOTAL ASSETS</b>		<b>41,783</b>	<b>37,189</b>	<b>34,032</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity Share Capital	15	1,428	1,428	1,428
b. Other Equity	16	36,741	33,549	29,141
<b>Total equity</b>		<b>38,169</b>	<b>34,977</b>	<b>30,569</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
a. Financial Liabilities				
i. Borrowings	17	1,915	844	2,194
b. Deferred Tax Liabilities (Net)	10	-	1	46
<b>Total non-current liabilities</b>		<b>1,915</b>	<b>845</b>	<b>2,240</b>
<b>Current Liabilities</b>				
a. Financial Liabilities				
i. Trade Payables	18	314	280	332
ii. Other financial Liabilities	19	1,073	815	654
b. Provisions	20	130	160	140
c. Other Current Liabilities	21	182	112	97
<b>Total current liabilities</b>		<b>1,699</b>	<b>1,367</b>	<b>1,223</b>
<b>Total Liabilities</b>		<b>3,614</b>	<b>2,212</b>	<b>3,463</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,783</b>	<b>37,189</b>	<b>34,032</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Ananthi Amarnath**

Partner

Chennai  
07 May, 2018**Harish Lakshman**

Vice Chairman

DIN: 00012602

**J Ananth**

Chief Financial Officer

For and on behalf of the Board

**L Ganesh**

Chairman and Managing Director

DIN: 00012583

**Siva Chandrasekaran**

Secretary

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

S. No.	Particulars	Note No.	Year ended 31 March, 2018	Year ended 31 March, 2017
I	Revenue from Operations	22	9,556	7,088
II	Other Income	23	153	2,793
<b>III</b>	<b>Total Income (I+II)</b>		<b>9,709</b>	<b>9,881</b>
<b>IV</b>	<b>Expenses:</b>			
	Employee benefits expense	24	1,298	1,382
	Finance costs	25	233	278
	Depreciation and amortisation expense	26	128	141
	Other expenses	27	2,171	1,805
	<b>Total Expenses (IV)</b>		<b>3,830</b>	<b>3,606</b>
<b>V</b>	<b>Profit before tax (III-IV)</b>		<b>5,879</b>	<b>6,275</b>
<b>VI</b>	<b>Tax Expense:</b>			
	(1) Current Tax	28	1,007	1,322
	(2) Relating to earlier year	28	-	18
	(3) Deferred Tax	28	(7)	(45)
	<b>Total tax expense (VI)</b>		<b>1,000</b>	<b>1,295</b>
<b>VII</b>	<b>Profit for the year (V - VI)</b>		<b>4,879</b>	<b>4,980</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(20)	6
	b) Equity instruments through other comprehensive income		11	-
	ii) Income tax relating to items that will not be reclassified to profit or loss		(3)	-
	<b>Total other comprehensive income (A(i-ii))</b>		<b>(12)</b>	<b>6</b>
<b>IX</b>	<b>Total Comprehensive Income for the period (VII+VIII)</b>		<b>4,867</b>	<b>4,986</b>
<b>X</b>	<b>Earnings Per Equity Share</b>			
	(a) Basic (In ₹)	33	34	35
	(b) Diluted (In ₹)	33	34	35

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

For and on behalf of the Board

**Ananthi Amarnath**

Partner

**Harish Lakshman**

Vice Chairman

DIN: 00012602

**L Ganesh**

Chairman and Managing Director

DIN: 00012583

Chennai

07 May, 2018

**J Ananth**

Chief Financial Officer

**Siva Chandrasekaran**

Secretary

# STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 MARCH, 2018

### A. Equity Share Capital

₹ Lakhs	
Particulars	Amount
<b>Balance as at 01 April, 2016</b>	<b>1,428</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	<b>1,428</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2018</b>	<b>1,428</b>

### B. Other Equity

₹ Lakhs					
Particulars	Reserves and Surplus			Retained Earnings	Total Other Equity
	Capital Redemption Reserve	Securities Premium Reserve	General Reserve		
<b>Balance as at 01 April, 2016</b>	<b>550</b>	<b>4,433</b>	<b>22,161</b>	<b>1,997</b>	<b>29,141</b>
Profit for the year	-	-	-	4,980	4,980
Other comprehensive income for the year (net of tax)					
i) Items that will not be reclassified to profit or loss					
a. Remeasurement gain or (loss) on defined benefit plans	-	-	-	6	6
Payment of dividend	-	-	-	(500)	(500)
Tax on dividend	-	-	-	(78)	(78)
Transfer from retained earnings to reserves	-	-	-	-	-
<b>Balance as at 31 March, 2017</b>	<b>550</b>	<b>4,433</b>	<b>22,161</b>	<b>6,405</b>	<b>33,549</b>
Profit for the year	-	-	-	4,879	4,879
Other comprehensive income for the year (net of tax)					
i) Items that will not be reclassified to profit or loss					
a. Remeasurement gain or (loss) on defined benefit plans	-	-	-	(20)	(20)
b. Fair value gain or (loss) of equity instruments through other comprehensive income	-	-	-	11	11
ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	(3)	(3)
Payment of dividend	-	-	-	(1,499)	(1,499)
Tax on dividend	-	-	-	(176)	(176)
Transfer from retained earnings to reserves	-	-	3,873	(3,873)	-
<b>Balance as at 31 March, 2018</b>	<b>550</b>	<b>4,433</b>	<b>26,034</b>	<b>5,724</b>	<b>36,741</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

**Ananthi Amarnath**

Partner

Chennai

07 May, 2018

**Harish Lakshman**

Vice Chairman  
DIN: 00012602

**J Ananth**

Chief Financial Officer

For and on behalf of the Board

**L Ganesh**

Chairman and Managing Director  
DIN: 00012583

**Siva Chandrasekaran**

Secretary



# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>A. Cash flows from operating activities</b>		
Profit for the year	4,879	4,980
Adjustments for:		
Income Tax expense recognised in profit or loss	1,000	1,295
Depreciation and amortisation of non-current assets	128	141
Loss on disposal of property, plant and equipment	-	65
Profit on disposal of property, plant and equipment	(1)	-
Finance costs	233	278
Dividend Income from Current Investments	(125)	(82)
Profit on sale of investment in Associate	-	(2,631)
Interest income recognised in profit or loss	(26)	(56)
<b>Movements in working capital:</b>		
(Increase)/decrease in trade or other receivables	(606)	(203)
(Increase)/decrease in short-term loans	4	4
(Increase)/decrease in long-term loans	4	9
(Increase)/decrease in other long term financial assets	2	3
(Increase)/decrease in other short term financial assets	3	10
(Increase)/decrease in other assets	(72)	9
Increase/(decrease) in trade payables	34	(52)
Increase/(decrease) in provisions	(50)	20
Increase/(decrease) in other liabilities	70	15
<b>Cash generated from operations</b>	<b>5,477</b>	<b>3,805</b>
Income taxes paid	(1,011)	(1,315)
<b>Net cash generated from Operations (A)</b>	<b>4,466</b>	<b>2,490</b>
<b>B. Cash flows from investing activities</b>		
Proceeds on sale of financial assets - investment in Associate	-	4,350
Redemption of Investment in Preference Share Capital	823	-
Proceeds from/(Purchase of) Current Investments	4,481	(4,397)
Dividend Income from Current Investments	125	82
Payments for property, plant, equipment & intangible assets	(250)	(300)
Proceeds from disposal of property, plant & equipment	4	12
Payment made for long term investments	(9,491)	(19)
Interest received	82	56
<b>Net cash (used)/generated by investing activities (B)</b>	<b>(4,226)</b>	<b>(216)</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>C. Cash flows from financing activities</b>		
Repayment of borrowings	(675)	(1,181)
Proceeds from borrowings	2,000	-
Dividends paid on equity shares	(1,499)	(500)
Tax on dividend	(176)	(78)
Interest paid	(230)	(280)
<b>Net cash used in financing activities (C)</b>	<b>(580)</b>	<b>(2,039)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(340)</b>	<b>235</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>389</b>	<b>154</b>
<b>Cash and cash equivalents at the end of the year (refer note 13.a.)</b>	<b>49</b>	<b>389</b>

See accompanying notes forming part of the financial statements  
In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

Chennai  
07 May, 2018

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**J. Ananth**  
Chief Financial Officer

For and on behalf of the Board

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

**Siva Chandrasekaran**  
Secretary

# NOTES FORMING PART OF FINANCIAL STATEMENT

## CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

### 1 Corporate Information

Rane Holdings Limited (“RHL” or “the Company”) is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Rane Group’s investment profile includes subsidiaries, joint ventures and associate. The Company’s Income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of “RANE” trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure.

### 2 Significant Accounting Policies

#### 2.1 Statement of Compliance

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.

Upto the year ended 31 March, 2017, the Company prepared the financial statements in accordance with the requirements of the previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and other relevant provisions of the 2013 Act.

These are the Company’s first Ind AS financial statements. The date of transition to the Ind AS is 01 April, 2016. Refer Note 37 for details of the first-time adoption exceptions and exemptions availed by the Company.

#### 2.2 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with the Companies (Accounting Standards) Rules, 2015 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”). Upto the year ended 31 March, 2017, the company prepared the financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 and

other relevant provisions of the 2013 Act. These are the Company’s first Ind AS financial statements. The date of transition to the Ind AS is 01 April, 2016.

The financial statements have been prepared on the historical cost basis 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.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

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

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the asset or liability.

#### 2.3 Property, Plant and Equipment and Intangible assets

##### 2.3.1 Property, Plant and Equipment

Land and buildings held for use in providing services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of providing of services or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

### 2.3.2 Estimated useful lives of the assets are as follows:

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Asset	Useful lives (in years)
Buildings	30
Vehicles	5
Furniture and Fittings	5
Office Equipment	3

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

During the year 2016-17, the company has revised the useful life of buildings from 60 years to 30 years after considering the following aspects:

- High Frequency of usage
- increase in repair & maintenance charges and replacement
- Modification to the aesthetic structure of the buildings for expansion and other purposes.

The Company has calculated depreciation adopting revised useful life of 30 years for both office and residential building. The incremental depreciation on account of the above revision, for the year ended 31 March, 2017 is ₹ 25.76 Lakhs.

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

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

### Deemed cost on transition to Ind AS

For transition to Ind AS, the company has elected to continue with the carrying value of all of its tangible assets recognised as of 01 April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 2.3.3 Intangible assets

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

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

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

### Derecognition of intangible assets

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

### Estimated useful life of the intangible assets are as follows:

License Fee on Software - 3 Years or license period whichever is lower.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

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

#### **Deemed cost on transition to Ind AS**

The Company has elected to continue with the carrying value of all of its intangible assets recognised as on 01 April, 2016 measured as per the previous GAAP and use the carrying value as its deemed cost as of transition date.

### **2.4 Leasing:**

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

#### **Operating Lease:**

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **2.5 Foreign Currencies:**

#### **2.5.1 Functional and presentation currency**

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

#### **2.5.2 Transactions and balances:**

Transactions in foreign currencies are recorded on initial recognition at the exchange rate prevailing on the date of transaction.

Any gains or losses arising due to differences in exchange rates at the time of transaction are classified as follows:

The exchange differences pertaining to restatement of long-term monetary items (investments) are recognised through Other Comprehensive Income

The exchange differences pertaining to restatement of Trade Receivables are recognised through Statement of Profit or Loss

### **2.6 Provisions and contingencies**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liability is disclosed in the notes for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

### **2.7 Operating Cycle**

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

### **2.8 Revenue recognition**

#### **2.8.1 Service Fee and Trade Mark Fee**

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

**2.8.2 Dividend Income**

Dividend income is accounted for when the right to receive it is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

**2.9 Taxation:**

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

**2.9.1 Current tax**

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

**2.9.2 Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

**2.10 Employee benefits**

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

**2.10.1 Defined contribution plans**

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

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

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

**2.10.2 Defined benefit plans**

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

**2.10.3 Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

**2.10.4 Defined benefit costs are categorized as follows:**

1. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

2. Net interest expense or income; and
3. Re-measurement
  - a. The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.
  - b. Past service cost is recognised in profit or loss in the period of a plan amendment.
  - c. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
  - d. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

#### 2.10.5 Long-term employee benefits

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

#### 2.11 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

#### 2.12 Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand.

#### 2.12.1 Cash flow statement

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

#### 2.13 Impairment of Assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

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

#### 2.14 Segment Reporting:

The Company holds strategic investments in subsidiaries and joint ventures (collectively called "the Group") that are primarily engaged in single segment viz., manufacture / marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group. Further the Company does not have any operations outside India. As such there are no separate reportable segments as per Ind AS 108' "Segment Reporting".

**2.15****2.15.1 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The 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.

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.

**2.15.2 Key sources of estimation uncertainty**

The following are the key assumptions concerning the future, and other 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.

**2.15.****2.1 Fair value measurements and valuation processes**

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

**2.15.****2.2 Employee Benefits**

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 32.

**2.15.2.3 Taxation:**

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available.

**2.16 Financial instruments**

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

**Initial Recognition**

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

**Subsequent Measurement****1. Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**(i) Classification of financial assets**

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

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

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

**a. Amortised Cost**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured



at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

**b. Fair value through other comprehensive income (FVTOCI)**

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

**c. Fair value through profit or loss (FVTPL)**

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

**(ii) Impairment of financial assets**

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

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

**(iii) Derecognition of financial assets**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

**2. Financial liabilities and equity instruments**

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

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

**(a) Equity instruments**

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

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

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

**(c) Financial liabilities at FVTPL**

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

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**2.18 Standards issued but not yet effective**

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 01 April, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

- (b) Ind AS 115- Revenue from Contract with Customers: On 28 March, 2018, Ministry of Corporate Affairs (“MCA”) has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the

consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.

### 3 Property, Plant and Equipment and Capital Work-in-progress

#### a. Property, Plant and Equipment

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Carrying amounts of:</b>			
a. Freehold land	7,942	7,942	7,942
b. Buildings	735	777	890
c. Plant and Machinery	4	5	11
d. Furniture and Fixtures	16	42	75
e. Office Equipments	25	35	24
f. Electrical Equipments	30	32	45
g. Vehicles	34	44	21
	<b>8,786</b>	<b>8,877</b>	<b>9,008</b>
<b>b. Capital Work-in-progress</b>	<b>388</b>	<b>160</b>	<b>-</b>

#### Cost or Deemed Cost

Particulars	₹ Lakhs							
	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Electrical Equipments	Vehicles	Total
<b>Balance as at 01 April, 2016</b>	7,942	890	11	75	24	45	21	9,008
Additions	-	-	-	7	27	7	31	72
Disposals	-	(71)	(5)	-	-	(1)	-	(77)
<b>Balance as at 31 March, 2017</b>	7,942	819	6	82	51	51	52	9,003
Additions	-	-	-	6	9	6	-	21
Disposals	-	-	-	(3)	-	-	-	(3)
<b>Balance as at 31 March, 2018</b>	7,942	819	6	85	60	57	52	9,021

#### Accumulated depreciation and impairment

Particulars	₹ Lakhs							
	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Electrical Equipments	Vehicles	Total
<b>Balance as at 01 April, 2016</b>	-	-	-	-	-	-	-	-
Depreciation expense	-	42	1	40	16	19	8	126
Disposals / adjustments	-	-	-	-	-	-	-	-
<b>Balance as at 31 March, 2017</b>	-	42	1	40	16	19	8	126
Depreciation expense	-	42	1	29	19	8	10	109

₹ Lakhs

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Electrical Equipments	Vehicles	Total
Disposals / adjustments	-	-	-	-	-	-	-	-
<b>Balance as at 31 March, 2018</b>	-	84	2	69	35	27	18	235
<b>Carrying amount as at 01 April, 2016</b>	7,942	890	11	75	24	45	21	9,008
<b>Carrying amount as at 31 March, 2017</b>	7,942	777	5	42	35	32	44	8,877
<b>Carrying amount as at 31 March, 2018</b>	7,942	735	4	16	25	30	34	8,786

**Note:**

1. All the land and buildings held by the company as on 31 March, 2018 and 31 March, 2017 are free of lien except land mortgaged for loan availed from Tata Capital Financial Services Limited (refer note 17 “Borrowings”).
2. Moveable fixed assets are mortgaged for working capital facility with Citi Bank N.A.
3. Capital work in progress represents building under construction.

**4 Intangible Assets**

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Software Licence	41	43	18
	<b>41</b>	<b>43</b>	<b>18</b>

**Cost or Deemed cost**

₹ Lakhs

Particulars	Software Licence	Total
<b>Balance as at 01 April, 2016</b>	18	18
Additions	40	40
Disposals	-	-
<b>Balance as at 31 March, 2017</b>	58	58
Additions	17	17
Disposals	-	-
<b>Balance as at 31 March, 2018</b>	75	75

**Accumulated amortisation and impairment**

₹ Lakhs

Particulars	Software Licence	Total
<b>Balance as at 01 April, 2016</b>	-	-
Amortisation expense	15	15
Disposals	-	-
<b>Balance as at 31 March, 2017</b>	15	15
Amortisation expense	19	19
Disposals	-	-
<b>Balance as at 31 March, 2018</b>	34	34
<b>Carrying amount as at 01 April, 2016</b>	18	18
<b>Carrying amount as at 31 March, 2017</b>	43	43
<b>Carrying amount as at 31 March, 2018</b>	41	41

## 5 Investments

₹ Lakhs

Particulars	Face Value per share	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
		No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
<b>I. Quoted Investments</b>							
<b>a. Investments in Equity Instruments at Cost</b>							
<b>i. Subsidiary Companies</b>							
Rane (Madras) Limited (refer note 5.1)	10	70,15,048	12,602	59,18,156	6,602	59,18,156	6,602
Rane Engine Valve Limited	10	34,31,054	8,332	34,31,054	8,332	34,31,054	8,332
Rane Brake Lining Limited	10	36,48,311	1,607	36,48,311	1,607	36,48,311	1,607
<b>Total Quoted Investments</b>			<b>22,541</b>		<b>16,541</b>		<b>16,541</b>
<b>II. Unquoted Investments</b>							
<b>a. Investments in Equity Instruments at Cost</b>							
<b>i. Subsidiary Companies</b>							
Rane Holdings America Inc.	\$ 1	20,000	10	20,000	10	20,000	10
Rane Holdings Europe GmbH	€1	25,000	19	25,000	19	-	-
Rane t4u Private Limited (formerly know as Telematics4u Services Private Limited) (refer note 5.2)							
a. Equity Investment	10	11,57,000	126				
b. Compulsory Convertible Preferences shares	10	1,85,00,000	1,850				
<b>ii. Joint Venture Companies</b>							
Rane TRW Steering Systems Private Limited	10	43,69,123	2,332	43,69,123	2,332	43,69,123	2,332
Rane NSK Steering Systems Private Limited	10	87,71,000	1,012	87,71,000	1,012	87,71,000	1,012
JMA Rane Marketing Limited	10	3,60,003	36	3,60,003	36	3,60,003	36
<b>iii. Associate Company</b>							
SasMos HET Technologies Limited (refer note 5.3)	10	-	-	-	-	61,1,399	1,719
<b>b. Investments in Equity (designated as FVTOCI)</b>							
Autotech Fund I, L.P (refer note 5.4)			1,027				
Wellington Corporate Foundation	10	60	-	60	-	60	-
<b>III. Share Warrants</b>							
Rane (Madras) Limited (refer note 5.1)		3,65,630	500	-	-	-	-
<b>Total Unquoted Investments</b>			<b>6,912</b>		<b>3,409</b>		<b>5,109</b>
<b>Total Non-Current Investments</b>			<b>29,453</b>		<b>19,950</b>		<b>21,650</b>
<b>Aggregate book value of quoted investments</b>			<b>22,541</b>		<b>16,541</b>		<b>16,541</b>
<b>Aggregate market value of quoted investments</b>			<b>1,09,401</b>		<b>90,013</b>		<b>47,091</b>
<b>Aggregate carrying value of unquoted investments</b>			<b>6,912</b>		<b>3,409</b>		<b>5,109</b>
<b>Aggregate amount of impairment in value of investments</b>			-		-		-

**Note:**

- 5.1 Rane (Madras) Limited, subsidiary company (RML), issued and allotted, on a preferential basis to the Company, 10,96,892 equity shares of ₹ 10/- each at a price of ₹ 547/- per share and 365,630 warrants at a price of ₹ 547/- each compulsorily convertible into 365,630 equity shares of ₹ 10/- each at a price of ₹ 547/- per share before March, 2019 upon subscription of the balance amount of ₹ 1,500 lakhs. The Company had invested ₹ 6,500 lakhs in RML by way of subscription to the preferential allotment of equity shares and warrants compulsorily convertible into equity shares ₹ 6,000 lakhs towards preferential allotment and ₹ 500 lakhs towards warrant subscription price, being 25% of issue price, for convertible warrants).
- 5.2 The Company has acquired 69.41% equity shares of Telematics 4U Services Private Limited (T4U) by way of subscription to a preferential allotment of 11,57,000 Equity shares of ₹ 10/- each at face value. Consequently, T4U became a subsidiary of the Company with effect from September 1, 2017. The Company has also further invested an aggregate sum of ₹ 1,850 lakhs during the year ended March 31, 2018, by way of subscription to a preferential allotment of 0.01% Compulsorily Convertible Preference Shares issued by T4U.
- 5.3 During the year 2016-17, the company has divested its entire holding of 6,11,399, equity shares of ₹ 10/- each fully paid up of M/s SasMos HET Technologies Limited.
- 5.4 The Company has invested ₹ 1,026 lakhs (USD 1,575,000) in AutoTech Fund I, LP towards its share of capital contribution as one of the Limited partners in the Fund.
- 5.5 The shareholders of RBL had approved an amendment in the year 2009-10, to the articles of association of the company which authorizes, the Company to appoint majority of the Board of Directors of the company. As a result RBL has become a board controlled subsidiary of the Company.

**6 Loans**

₹ Lakhs

Particulars	Non-current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Investments in Preference shares at Cost (refer note 37.1 (1.6)(a) Rane (Madras) limited)	-	823	823	-	-	-
b. Loan to Employees	1	5	14	6	11	15
	<b>1</b>	<b>828</b>	<b>837</b>	<b>6</b>	<b>11</b>	<b>15</b>

**7 Other Financial Assets**

₹ Lakhs

Particulars	Non-current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Security Deposits	4	6	9	-	-	-
b. Interest receivable	-	-	-	-	56	55
c. Rent Advance	-	-	-	5	7	-
d. Fixed deposits against Bank Guarantee	-	-	-	2	-	-
e. Insurance claims	-	-	-	-	2	2
f. Others	-	-	-	-	-	18
	<b>4</b>	<b>6</b>	<b>9</b>	<b>7</b>	<b>65</b>	<b>75</b>

## 8 Other Non-Current Assets

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Capital Advance	27	42	9
	<b>27</b>	<b>42</b>	<b>9</b>

## 9 Non-current tax assets (Net)

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Advance payment of Tax and Tax Deducted at Source (net of Provision)	735	732	766
	<b>735</b>	<b>732</b>	<b>766</b>

## 10 Deferred tax balances (Net)

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

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Deferred tax assets	(42)	(55)	(48)
b. Deferred tax liabilities	39	56	94
	<b>(3)</b>	<b>1</b>	<b>46</b>

## For the year ended 31 March, 2018

Particulars	₹ Lakhs			
	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
<b>Deferred tax Assets</b>				
a. Provision for leave salary	(51)	13	-	(38)
b. Provision for Bonus	(4)	-	-	(4)
	<b>(55)</b>	<b>13</b>	-	<b>(42)</b>
<b>Deferred Tax Liabilities</b>				
a. Property plant and equipment and Intangible assets	56	(20)	-	36
b. Re-statement of Equity Investments	-	-	3	3
	<b>56</b>	<b>(20)</b>	<b>3</b>	<b>39</b>
<b>Net Deferred Tax (Asset) / Liability</b>	<b>1</b>	<b>(7)</b>	<b>3</b>	<b>(3)</b>

For the year ended 31 March, 2017

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
<b>Deferred Tax Assets</b>				
a. Provision for leave salary	(44)	(7)	-	(51)
b. Provision for Bonus	(4)	-	-	(4)
	<b>(48)</b>	<b>(7)</b>	-	<b>(55)</b>
<b>Deferred Tax Liabilities</b>				
a. Property plant and equipment and Intangible assets	94	(38)	-	56
	<b>94</b>	<b>(38)</b>	-	<b>56</b>
<b>Net Deferred Tax (Asset) / Liability</b>	<b>46</b>	<b>(45)</b>	-	<b>1</b>

## 11 Investments

₹ Lakhs

Particulars	Current								
	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
<b>Unquoted Investments</b>									
Investment in Mutual Fund - (Measured at FVTPL)									
- HDFC Liquid Fund									
- Dividend Daily Reinvestment	1,019.82	36,909	376	1,019.82	2,79,654	2,852	1,019.82	56,441	576
- Birla Sun Life Mutual Fund - Dividend Daily Reinvestment	100.20	4,15,228	416	100.20	24,16,617	2,421	100.20	2,99,640	300
<b>Total Unquoted Investments</b>			<b>792</b>			<b>5,273</b>			<b>876</b>

## 12 Trade Receivables

₹ Lakhs

Particulars	Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Secured, considered good	(42)	(55)	(48)
b. Unsecured, considered good			
i. Related parties (refer note 36 )	1,156	544	383
ii. Others	35	42	-
	<b>1,191</b>	<b>586</b>	<b>383</b>
c. Doubtful	-	-	-
Less: Allowance for doubtful debts	-	-	-
	<b>1,191</b>	<b>586</b>	<b>383</b>

### Note:

The company's receivables are predominantly from its subsidiary companies, joint venture companies and associate. The company had not experienced doubtful debts in earlier years, therefore there is no credit risk and thus no provision for doubtful debts are made.

## 13.a. Cash and cash equivalents

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Balances with banks (including deposits with original maturity upto 3 months)			
Current account	48	388	153
b. Cash on hand	1	1	1
	<b>49</b>	<b>389</b>	<b>154</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as above.

## 13.b. Bank balances other than above

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Earmarked balances			
In Unclaimed Dividend account	46	45	41
	<b>46</b>	<b>45</b>	<b>41</b>

## 14 Other Current assets

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Balance with Government Authorities	54	-	14
b. Prepaid Expenses	196	176	173
c. Others	4	6	4
	<b>254</b>	<b>182</b>	<b>191</b>

## 15 Equity Share Capital

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>a. Authorised Share Capital:</b>			
<b>Equity Shares:</b>			
1,50,00,000 Equity Shares of ₹10 each	1,500	1,500	1,500
<b>Preference Shares:</b>			
50,00,000 Shares 13.5% Cumulative Redeemable Preference Shares of ₹ 10 each	500	500	500
<b>b. Issued Share Capital:</b>			
1,42,77,809 Equity Shares of ₹10 each	1,428	1,428	1,428
<b>c. Subscribed Share Capital:</b>			
1,42,77,809 Equity Shares of ₹10 each fully paid-up	1,428	1,428	1,428
	<b>1,428</b>	<b>1,428</b>	<b>1,428</b>



## 15.1 Reconciliation of number of shares

₹ Lakhs

Particulars	2017-18		2016-17	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the period	1,42,77,809	1,428	1,42,77,809	1,428
Add/Less movement during the year	-	-	-	-
<b>At the end of the period</b>	<b>1,42,77,809</b>	<b>1,428</b>	<b>1,42,77,809</b>	<b>1,428</b>

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

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

Class of Shares / Name of the Shareholder	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	No of shares held	% of holding in shares	No of shares held	% of holding in shares	No of shares held	% of holding in shares
<b>a. Fully paid up equity shares</b>						
1. Raman T G G	14,84,056	10.4%	14,84,056	10.4%	14,84,056	10.4%
2. Sundaram Mutual Fund A/c Sundaram Smile Fund	-	-	7,54,113	5.3%	8,00,308	5.6%

## 16 Other Equity

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. General Reserve	26,034	22,161	22,161
b. Securities Premium reserve	4,433	4,433	4,433
c. Capital redemption reserve	550	550	550
d. Retained Earnings	5,725	6,405	1,997
	<b>36,741</b>	<b>33,549</b>	<b>29,141</b>

### a. General Reserve

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Balance at the beginning of the year</b>	22,161	22,161	22,161
Add :Addition during the year	3,873	-	-
<b>Balance at the end of the year</b>	<b>26,034</b>	<b>22,161</b>	<b>22,161</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.

### b. Securities Premium Account

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Securities Premium Account	4,433	4,433	4,433
	<b>4,433</b>	<b>4,433</b>	<b>4,433</b>

Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

**c. Capital Redemption Reserve**

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Capital Redemption Reserve	550	550	550
	<b>550</b>	<b>550</b>	<b>550</b>

The capital redemption reserve represents amount transferred from Statement of Profit and Loss in accordance with Sec 55(2)(c) of the Companies Act, 2013 on redemption of preference shares in the prior years.

**d. Retained Earnings**

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Balance at the beginning of the year</b>	6,405	1,997	1,567
Profit attributable to the owners of the company	4,879	4,980	3,565
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(12)	6	-
Payment of dividends on equity shares	(1,675)	(578)	(1,581)
Transfer to General Reserve	(3,873)	-	(1,554)
<b>Balance at the end of the year</b>	<b>5,725</b>	<b>6,405</b>	<b>1,997</b>

On 26 February, 2018, an interim dividend of ₹ 5.50 per share (total dividend ₹ 785.28 Lakhs) was paid to the holders of fully paid equity shares.

In respect of the year ended 31 March, 2018, the directors propose that a dividend of ₹ 9 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 1,285 Lakhs.

**17 Borrowings**

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Non-current</b>			
<b>Secured</b>			
Term Loan**	2,837	1,519	2,700
Less: Current maturities of non current borrowings	(922)	(675)	(506)
	<b>1,915</b>	<b>844</b>	<b>2,194</b>

\*\*Above amount of borrowings is net of upfront fees paid ₹ 8.75 lakhs as at 31 March, 2018

₹ Lakhs

Loan	As at		Security
	31 March, 2018	31 March, 2017	
1. Term loan-1 availed from Tata Capital Financial Services Limited [TCFSL] on 04 July, 2015	844	1,519	The loan is availed at a rate of interest of 10.85% (7.1% below the long term lending rate) till 31 January, 2017, 10.55% from 01 February, 2017 and 10.30% from 13 November, 2017. Repayment in sixteen quarterly installments of ₹ 168.75 lakhs from 31 July, 2016. During the year ended 31 March, 2017 the company made a prepayment of ₹ 675 lakhs in addition to regular repayment installments amount of ₹ 506 lakhs. Charge by way of mortgage on the company's land at Chittaranjan Road, Chennai.
Less: Current maturities of long term debt	(675)	(675)	
<b>Total</b>	<b>169</b>	<b>844</b>	
2. Term loan-2 availed from Tata Financial Services Limited [ TCFSL ] On 06 September, 2017	1,993	-	The loan is availed at a rate of interest of 9.75% (8.5% below the long term lending rate). Repayment in sixteen quarterly installments of ₹ 125 lakhs from 31 October, 2018. Charge by way of mortgage on the company's land at Chittaranjan Road, Chennai.
Less: Current maturities of long term debt	(247)	-	
<b>Total</b>	<b>1,746</b>	<b>-</b>	

The company is having working capital credit facility of ₹ 500 Lakhs with Citi Bank, N.A by hypothecating current assets and moveable fixed assets. There is no outstanding balance as on 31 March 2018, 31 March, 2017 and 01 April, 2016.

## 18 Trade payables

₹ Lakhs

Particulars	Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
-Dues of Creditors other than Micro Enterprises & Small Enterprises	314	280	332
	<b>314</b>	<b>280</b>	<b>332</b>

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors there are no dues as at 31 March, 2018, 31 March 2017 and 01 April 2016.

The company has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms.

## 19 Other Financial liabilities

₹ Lakhs

Particulars	Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. Current maturities of long term debt	922	675	506
b. Interest accrued but not due on borrowings	46	36	48
c. Unpaid dividends	46	45	41
d. Others (refer note 19.1 below)	59	59	59
	<b>1,073</b>	<b>815</b>	<b>654</b>

- 19.1 The Company had accrued for an amount of ₹ 59 Lakhs in the earlier years towards arrears of lease rent for the land taken under lease which had been surrendered during 2008-09.

## 20 Provisions

Particulars	Current		
	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
a. Provision for leave encashment	130	146	127
b. Provision for Gratuity	-	14	13
	<b>130</b>	<b>160</b>	<b>140</b>

₹ Lakhs

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

## 21 Other current liabilities

Particulars	Current		
	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
a. Statutory remittances	182	85	76
b. Advances and Deposits from Customers/Others	-	27	21
	<b>182</b>	<b>112</b>	<b>97</b>

₹ Lakhs

## 22 Revenue from operations

Particulars	Year ended	
	31 March, 2018	31 March, 2017
a. Service Fee	3,019	2,718
b. Trade Mark Fee	3,408	2,735
c. Dividend Income	3,129	1,635
	<b>9,556</b>	<b>7,088</b>

₹ Lakhs

## 23 Other Income

Particulars	Year ended	
	31 March, 2018	31 March, 2017
a. Mutual Fund Income	125	82
b. Interest Income from Preference Shares	26	56
c. Profit on sale of property, plant and equipment	1	-
d. Net gain on sale of Investment	-	2,631
e. Other gains and losses	1	24
	<b>153</b>	<b>2,793</b>

₹ Lakhs

## 24 Employee benefit expense

Particulars	Year ended	
	31 March, 2018	31 March, 2017
a. Salaries and wages including bonus	1,090	1,167
b. Contribution to Provident and Other Funds	120	125
c. Staff Welfare Expenses	88	90
	<b>1,298</b>	<b>1,382</b>

₹ Lakhs

## 25 Finance Costs

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
a. Interest costs:		
1. Interest on bank overdrafts and loans	233	267
2. Other interest expense	-	11
	<b>233</b>	<b>278</b>

## 26 Depreciation and Amortisation Expense

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
a. Depreciation on Property, plant and equipment pertaining to continuing operations (note 2.3.2)	109	126
b. Amortisation of Intangible assets (note 2.3.3)	19	15
	<b>128</b>	<b>141</b>

## 27 Other Expenses

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
a. Power and Fuel	33	34
b. Rent expense	104	105
c. Travelling and Conveyance	127	181
d. Repairs and Maintenance		
- Buildings	83	96
- Others	38	36
e. Insurance	34	30
f. Rates and Taxes, excluding taxes on income	12	10
g. Auditors' Remuneration (Refer note-27.1)	23	15
h. Directors' Fees	14	9
i. Information Systems expenses	603	637
j. Loss on Property, Plant and Equipment sold / scrapped / written off	-	65
k. Professional Charges (Refer note 36)	622	283
l. Advertisement and Sales Promotion	108	33
m. Administration Expenses	82	92
n. Donation	124	72
o. Chairman Emeritus & CMD Commission (Refer note 36)	162	104
p. Foreign Exchange (Gain) / loss *	0	-
q. Miscellaneous Expenses	2	3
	<b>2,171</b>	<b>1,805</b>

(\*) Foreign Exchange loss of ₹ 48,743 for the year 2017-18 (2016-17 Nil)

### 27.1 Payment to auditors

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
a) For audit	17	13
b) For taxation matters	1	1
c) For other services	5	1
	<b>23</b>	<b>15</b>

## 28 Tax Reconciliation:

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
<b>Income taxes relating to continuous operations</b>		
Income tax recognised in profit or loss		
In respect of current year	1,007	1,322
In respect of earlier year	-	18
	<b>1,007</b>	<b>1,340</b>
<b>Deferred tax</b>		
In respect of current year	(7)	(45)
Reversal of earlier year deferred tax liabilities		-
<b>Deferred tax recognised in profit or loss</b>	<b>(7)</b>	<b>(45)</b>
	<b>1,000</b>	<b>1,295</b>

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

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
<b>Profit before tax from continuing operations</b>	5,879	6,275
Income Tax expense calculated at 34.608% (2016-17: 34.608%)	2,035	2,172
Effect of income chargeable at special rates (Capital Gains)	-	(396)
<b>Effect of income that is exempt from taxation:</b>		
Dividend from subsidiaries, joint Ventures, associate, mutual funds	(1,135)	(614)
Effect of expenses that are added in determining taxable profit	100	115
Income tax relating to earlier year	-	18
<b>Income Tax expense recognised in profit or loss</b>	<b>1,000</b>	<b>1,295</b>

Income tax relating to other comprehensive income:

Particulars	₹ Lakhs	
	Year ended 31 March, 2017	Year ended 31 March, 2017
Equity instruments through other comprehensive income	(3)	-
	(3)	-
	<b>(3)</b>	<b>-</b>

## 29.1 Expenditure in Foreign Currency

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Professional and consultation fees	30	45
Travel	9	22
	<b>39</b>	<b>67</b>

## 29.2 Income in Foreign Currency

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
Sale of equity shares in associate	-	4,350
Service Fee Income	71	-
	<b>71</b>	<b>4,350</b>

### 30 Remittance during the year of Dividends in Foreign Currency

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
<b>Interim Dividend</b>		
Number of Shareholders	1	1
Number of Shares held	54,1,125	5,41,125
Amount paid as Interim Dividend (₹ Lakhs)	30	19
Year for which dividend is remitted	<b>2017-18</b>	<b>2016-17</b>
<b>Final Dividend</b>		
Number of Shareholders	1	-
Number of Shares held	5,41,125	-
Amount paid as Final Dividend (₹ Lakhs)	27	-
Year for which dividend is remitted	<b>2016-17</b>	-

### 31 Contingent Liabilities and Commitments

Particulars	As at 31 March, 2018	As at 31 March, 2017	₹ Lakhs As at 31 March, 2016
<b>31.1 Contingent Liabilities to the extent not provided for</b>			
Disputed demands under appeal (Refer below)	1,618	1,572	1,736
1. Income Tax Act	1,610	1,564	1,728
Less: Deposits made under protest	(294)	(294)	(332)
<b>Net Amount</b>	<b>1,316</b>	<b>1,270</b>	<b>1,396</b>
2. Service Tax **	2	2	2
3. Customs Duty	6	6	6
** ₹ 1.58 lakhs (₹ 1.58 Lakhs) paid as pre deposit			
Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.			
<b>31.2 Commitments</b>			
i. Estimated amount of contracts remaining to be executed on capital account and not provided for	206	347	71
ii. Uncalled liability on investment in Auto Tech I, L.P for USD 5 Million over 5 years	2,219	3,240	-
iii. Rane (Madras) Limited, subsidiary company (RML), issued and allotted 365,630 warrants at a price of ₹ 547/- each compulsorily convertible into 365,630 equity shares of ₹ 10/- each at a price of ₹ 547/- per share before March, 2019 upon subscription of the balance amount of ₹ 1,500 lakhs.	1,500	-	-

### 32 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.

**(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 superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Company contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 80 Lakhs (for the year ended 31 March 2017: ₹ 87 Lakhs) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March, 2018, contributions of ₹ 13 Lakhs (as at 31 March, 2017: ₹ 15 Lakhs) due in respect to 2017-18 (2016-17) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

**B. Defined benefit plans:**

The defined benefit plans 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 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India (LIC). 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.

**(a) Gratuity**

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

Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
<b>Components of employer expense</b>		
Current service cost	25	24
Interest cost	26	28
Expected return on plan assets	(27)	(28)
Actuarial losses/(gains)	17	(5)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>41</b>	<b>19</b>



Particulars	₹ Lakhs	
	Year ended 31 March, 2018	Year ended 31 March, 2017
<b>Actual contribution and benefit payments for the year</b>		
Actual benefit payments	(76)	(2)
Actual contributions	58	17
<b>Change in Defined Benefit Obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	396	351
Current service cost	25	24
Interest cost	26	28
Actuarial (gains) / losses	19	(4)
Past service cost	-	-
Benefits paid	(76)	(2)
<b>Present value of DBO at the end of the year</b>	<b>390</b>	<b>396</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	382	338
Expected return on plan assets	27	28
Actual company contributions	58	17
Actuarial gain / (loss)	(1)	1
Benefits paid	(76)	(2)
<b>Plan assets at the end of the year</b>	<b>390</b>	<b>382</b>

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Net asset / (liability) recognised in the Balance Sheet</b>			
Present value of defined benefit obligation	390	396	351
Fair value of plan assets	390	382	338
Funded status [Surplus / (Deficit)]	-	(14)	(13)
Unrecognised past service costs	-	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>-</b>	<b>(14)</b>	<b>(13)</b>
<b>Actuarial assumptions</b>			
Discount rate	7.71%	7.30%	7.80%
Expected return on plan assets	7.71%	8.00%	8.00%
Salary escalation	8.00%	7.00%	8.00%
Attrition	2.00%	2.00%	4.00%
<b>Experience Adjustments</b>			
Present Value of Obligation	390	396	351
Plan Assets	390	382	338
Surplus / (Deficit)	-	(14)	(13)
Experience Adjustments on Plan liabilities- (loss)/gain	(19)	4	(7)
Experience Adjustments on Plan assets- (loss)/gain	(1)	1	-
<b>Enterprises' best estimate of contribution during the next year</b>	<b>-</b>	<b>14</b>	<b>14</b>
<b>Actual Return on Plan Assets</b>			
Expected return on plan assets	27	28	24
Actuarial gain / (loss) on plan assets	1	(1)	-
Actual return on plan assets	29	27	24

**Notes:**

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

- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.
- (iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses 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	₹ Lakhs		
	31 March, 2018	31 March, 2017	01 April, 2016
A. Discount Rate + 50 BP	8.21%	7.80%	8.30%
Defined Benefit Obligation [PVO]	380	388	345
Current Service Cost	23	24	22
B. Discount Rate - 50 BP	7.21%	6.80%	7.30%
Defined Benefit Obligation [PVO]	400	406	360
Current Service Cost	25	26	24
C. Salary Escalation Rate +50 BP	8.50%	7.50%	8.50%
Defined Benefit Obligation [PVO]	400	406	360
Current Service Cost	25	26	24
D. Salary Escalation Rate -50 BP	7.50%	6.50%	7.50%
Defined Benefit Obligation [PVO]	380	388	344
Current Service Cost	23	24	22

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

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

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior year.

### Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 5.3 years (2017-5.6 years, 2016-4.9 years). The expected maturity analysis of undiscounted gratuity is as follows:

	₹ Lakhs		
	31 March, 2018	31 March, 2017	01 April, 2016
Year 1	200	192	158
Year 2	38	63	69
Year 3	10	35	12
Year 4	5	9	32
Year 5	38	5	11
Next 5 Years	107	87	71

### (b) Compensated absences

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

The amount of provision of ₹ 130 Lakhs (31 March, 2017 - ₹ 146 Lakhs, 01 April, 2016 - ₹ 127 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 01 April, 2016
<b>Actuarial assumptions for long-term compensated absences</b>			
Discount rate	7.71%	7.30%	7.80%
Salary escalation	8.00%	7.00%	8.00%
Attrition	2.00%	2.00%	4.00%

**Notes:**

- i. The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- ii. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factor.

### 33 Earnings per share

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a. Basic Earning per share (₹)	34	35
b. Diluted Earnings per share (₹)	34	35
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earning per share (₹ Lakhs)	4,879	4,980
Weighted average number of equity shares for the purpose of calculating basic earning per share and diluted earning per share (No. of Shares)	1,42,77,809	1,42,77,809

### 34 Amount Spent on CSR Activities

- i. Gross amount required to be spent by the company during the year is ₹ 75.40 Lakhs (₹ 69.70 Lakhs)
- ii. Amount spent during the year on revenue expenditure is ₹ 125.40 Lakhs (₹ 69.70 Lakhs)

### 35 Operating Leases

**Cancellable Leases :**

The company has entered into lease agreements for office space and accomodation for business purposes. The lease rentals debited to the Statement of Profit and Loss is ₹ 16 Lakhs for the year ended 31 March, 2018 (PY ₹ 27 lakhs)

**Non-cancellable Leases :**

The company has entered into Non- cancellable leases agreements for certain office equipments and vehicles for a period ranging from one year to five year

The payments under Non - cancellable operating leases for the year ended 31 March, 2018 is ₹ 189 lakhs considered under other expenses out of which ₹ 101 lakhs is included in IS expenses and ₹ 88 lakhs is included in Rent.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016
₹ Lakhs			
Office Equipment and cars are taken on lease for a period ranging from one year to five years and are renewable at option of the Company			
Lease Rental debited to the Statement of Profit and Loss	189	181	164
Future minimum lease payments			
- not later than one year	158	168	172
- later than one year and not later than five years	173	283	412
- later than five years	-	-	-
	<b>520</b>	<b>632</b>	<b>748</b>

## 36 Related Party Disclosures

Description of relationship	Names of related parties 2017-18	Names of related parties 2016-17
<b>(a) List of related parties where control Exists</b>		
Subsidiaries	Rane (Madras) Limited	Rane (Madras) Limited
	Rane Engine Valve Limited	Rane Engine Valve Limited
	Rane Brake Lining Limited	Rane Brake Lining Limited
	Rane Holdings America Inc.	Rane Holdings America Inc.
	Rane (Madras) International Holdings B.V (RMIH)	Rane (Madras) International Holdings B.V (RMIH)
	Rane Precision Diecast Inc. (RPDC)	Rane Precision Diecast Inc. (RPDC)
	Rane Holdings Europe GmbH	Rane Holdings Europe GmbH (with effect from 21 March, 2017)
	Rane t4u Pvt Ltd (with effect from 01 September, 2017 )	
Joint Ventures	Rane TRW Steering Systems Private Limited	Rane TRW Steering Systems Private Limited
	Rane NSK Steering Systems Private Limited	Rane NSK Steering Systems Private Limited
	JMA Rane Marketing Limited	JMA Rane Marketing Limited
Associate		SasMos HET Technologies Limited (Ceased to be in association from 16 March, 2017)
<b>(b) Other Related Parties where transaction has taken place</b>		
Key Management Personnel (KMP)	Mr. L Ganesh	Mr. L Lakshman
	Mr. Harish Lakshman	Mr. L Ganesh
Relatives of KMP	Mr. L Lakshman	Mrs. Pushpa Lakshman
	Mrs. Pushpa Lakshman	Mr. Harish Lakshman
	Mr. Vinay Lakshman	Mr. Vinay Lakshman
	Mrs. Meenakshi Ganesh	Mrs. Meenakshi Ganesh
	Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Mrs. Aparna Ganesh	Mrs. Aparna Ganesh
	Mrs. Shanti Narayan	Mrs. Shanti Narayan
	Mrs. Hema C Kumar	Mrs. Hema C Kumar
	Mrs. Vanaja Aghoram	Mrs. Vanaja Aghoram
		Rane Foundation
Enterprise over which KMP / Relatives of KMP can exercise significant influence	Savithur Enterprises Private Limited	Savithur Enterprises Private Limited
	HL Hill Station Properties Private Limited	HL Hill Station Properties Private Limited
	RT Automotive Systems Private Limited	RT Automotive Systems Private Limited
	Rane Holdings Limited Gratuity Fund	Rane Holdings Limited Gratuity Fund
(c) Post employment benefit plans	Rane Holdings Limited Senior Executives Superannuation Fund	Rane Holdings Limited Senior Executives Superannuation Fund

**Note:** Related parties has been identified by the Management and relied upon by the auditors.

### Details of Related Party transactions and balances:

Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Transaction during the year</b>												
<b>Fee for Services rendered</b>												
Rane (Madras) Limited	798	748										
Rane Engine Valve Limited	403	429										
Rane Brake Lining Limited	395	395										
Rane Precision Diecast Inc. (RPDC)	65	30										
Rane TRW Steering Systems Private Limited			649	581								
Rane NSK Steering Systems Private Limited			595	498								
<b>Trademark Fee</b>												
Rane (Madras) Limited	574	463										
Rane Engine Valve Limited	185	177										
Rane Brake Lining Limited	252	243										
Rane TRW Steering Systems Private Limited			1103	834								
Rane NSK Steering Systems Private Limited			1294	1000								
<b>Dividend Received</b>												
Rane (Madras) Limited	634	174										
Rane Engine Valve Limited	86	-										
Rane Brake Lining Limited	565	219										
Rane TRW Steering Systems Private Limited			1114	874								
Rane NSK Steering Systems Private Limited			789	350								
JMA Rane Marketing Limited			22	22								
<b>Salary and Other Perquisites</b>												
L Ganesh					137	116						
L Lakshman							-	113				
<b>Commission</b>												
L Ganesh					62	-						
L Lakshman							100	104				
<b>Sitting Fees</b>												
L Lakshman							2	-				
Harish Lakshman					2	2						
<b>Advisory Fee</b>												
L Lakshman							100					
<b>Other Reimbursements</b>												
Rane TRW Steering Systems Private Limited			23	1								
Rane Engine Valve Limited	3	1										
<b>Donation</b>												
Rane Foundation									110	50		
<b>Post Employment Benefit Plan</b>												
Rane Holdings Limited Gratuity Fund											46	19
Rane Holdings Limited Senior Executives Superannuation Fund											20	26

## Breakup of related party balances as per party wise:

Description	Subsidiaries			Joint ventures			Key Management Personnel			Relative of KMP			Enterprises over which KMP or relatives of KMP can exercise significant influence			Post employment benefit plans		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
<b>Payables</b>																		
Rane (Madras) Limited	5	-	-															
Rane Engine Valve Limited	2	-	-															
Rane Brake Lining Limited	17	14	10															
Rane Precision Diecast Inc. (RPDC)																		
Rane TRW Steering Systems Private Limited				49	24	16												
Rane NSK Steering Systems Private Limited				18	14	1												
<b>Commission</b>																		
L Ganesh				62	-	-												
L Lakshman				-	104	93												
<b>Post Employment Benefit Plan</b>																		
Rane Holdings Limited Gratuity Fund													1	14	13			
Rane Holdings Limited Senior Executives Superannuation Fund													1	2	2			
<b>Receivables</b>																		
Rane (Madras) Limited	181	339	226															
Rane Engine Valve Limited	179	140	105															
Rane Brake Lining Limited	87	2	-															
Rane Precision Diecast Inc. (RPDC)	24	30	-															
Rane TRW Steering Systems Private Limited				360	9	1												
Rane NSK Steering Systems Private Limited				417	49	-												

₹ Lakhs

### 37 Notes for First Time Adoption:

These are the Company's first financial statements prepared in accordance with Ind AS. The Company has prepared opening balance sheet as per Ind AS as of 01 April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS measurement of recognised assets and liabilities. However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company. Applicable mandatory exemptions and optional exemptions are as under:

#### 1. Mandatory exceptions:

##### Estimates:

The estimates as at 01 April, 2016 and as at 31 March, 2017 are consistent with those made for the same dates in accordance with Indian GAAP(after adjustments to reflect any differences in accounting policies).

#### 2. Optional Exemptions:

##### a. Deemed cost for property, plant and equipment and intangible assets

The Company has elected to continue with the carrying value of all its property, plant and equipment and intangible assets recognised as on 01 April, 2016 measured as per the previous GAAP and use that carrying value as its deemed costs as of transition date.

##### b. Investment in subsidiaries:

The company has elected this exemption and opted to continue with the carrying value of investment in subsidiaries as recognised in its Indian GAAP financials, as deemed cost at the date of transition.

##### c. Business Combinations:

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiary companies, joint venture companies and associates which are considered business under Ind AS that occurred before 01 April, 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of acquisition measurement is in accordance with respective Ind AS.

##### d. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

##### e. Determining whether an arrangement contains a lease

The Company has applied Appendix C of Ind AS 17 for determining whether an arrangement contains a Lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

## 37.1 First time adoption to Ind AS

## 1. Reconciliations:

## 1.1 Reconciliation of Total Equity

₹ Lakhs

Particulars	Notes	As at 31 March, 2017 (end of last period under previous GAAP)	As at 01 April, 2016 (Date of Transition)
<b>Total equity (shareholder's fund) as per previous GAAP</b>		34,698	30,290
<b>Ind AS Adjustments increase / (decrease):</b>			
Impact of fair value due to Preference Share Capital	a	223	223
Recognition of preference dividend as interest Income	b	56	56
<b>Equity as reported under Ind AS</b>		<b>34,977</b>	<b>30,569</b>

## 1.2 Reconciliation of Total Comprehensive Income

₹ Lakhs

Particulars	Notes	Year ended 31 March, 2017
<b>Net profit as reported under previous Indian GAAP</b>		4,986
<b>Ind AS adjustments increase or (decrease):</b>		
RML preference dividend considered on accrual basis for 2016-17		56
De-recognition of RML preference dividend for 2015-16		(56)
Remeasurements of defined benefit plans	c	(6)
<b>Profit or loss under Ind AS</b>		<b>4,980</b>
Other comprehensive income		
Remeasurements of defined benefit plans		6
<b>Total comprehensive income under Ind AS</b>		<b>4,986</b>



### 1.3 Effect of Ind AS adoption on the balance sheet

₹ Lakhs

Particulars	Notes	As at 31 March, 2017 (end of last period under previous GAAP)			As at 01 April, 2016 (Date of Transition)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
a. Property, plant and equipment		8,877	-	8,877	9,008	0	9,008
b. Capital Work in Progress		160	-	160	-	-	-
c. Intangible Assets		43	-	43	18	-	18
d. Financial Assets							
i. Investments		19,950	-	19,950	21,650	-	21,650
ii. Loans	a	605	223	828	614	223	837
iii. Other Financial assets		6	-	6	9	-	9
e. Other non-current assets		42	-	42	9	-	9
f. Non-Current tax assets		732	-	732	766	-	766
<b>Total non-current assets</b>		<b>30,415</b>	<b>223</b>	<b>30,638</b>	<b>32,074</b>	<b>223</b>	<b>32,297</b>
<b>Current Assets</b>							
a. Financial Assets							
i. Investments		5,273	-	5,273	876	-	876
ii. Trade Receivables		586	-	586	383	-	383
iii. Cash and Cash Equivalents		389	-	389	154	-	154
iv. Bank balances other than above		45	-	45	41	-	41
v. Loans		11	-	11	15	-	15
vi. Other Financial assets	b	9	56	65	19	56	75
b. Other Current Assets		182	-	182	191	-	191
<b>Total current assets</b>		<b>6,495</b>	<b>56</b>	<b>6,551</b>	<b>1,679</b>	<b>56</b>	<b>1,735</b>
<b>TOTAL ASSETS</b>		<b>36,910</b>	<b>279</b>	<b>37,189</b>	<b>33,753</b>	<b>279</b>	<b>34,032</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
a. Equity Share Capital		1,428	-	1,428	1,428	-	1,428
b. Other Equity	a & b	33,270	279	33,549	28,862	279	29,141
<b>Total equity</b>		<b>34,698</b>	<b>279</b>	<b>34,977</b>	<b>30,290</b>	<b>279</b>	<b>30,569</b>
<b>Liabilities</b>							
<b>Non-Current Liabilities</b>							
a. Financial Liabilities							
i. Borrowings		844	-	844	2,194	-	2,194
b. Deferred Tax Liabilities (Net)		1	-	1	46	-	46
<b>Total non-current liabilities</b>		<b>845</b>	<b>-</b>	<b>845</b>	<b>2,240</b>	<b>-</b>	<b>2,240</b>
<b>Current Liabilities</b>							
a. Financial Liabilities							
i. Trade Payables		280	-	280	332	-	332
ii. Other financial Liabilities		815	-	815	654	-	654
b. Term Provisions		160	-	160	140	-	140
c. Other Current Liabilities		112	-	112	97	-	97
<b>Total current liabilities</b>		<b>1,367</b>	<b>-</b>	<b>1,367</b>	<b>1,223</b>	<b>-</b>	<b>1,223</b>
<b>Total Liabilities</b>		<b>2,212</b>	<b>-</b>	<b>2,212</b>	<b>3,463</b>	<b>-</b>	<b>3,463</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,910</b>	<b>279</b>	<b>37,189</b>	<b>33,753</b>	<b>279</b>	<b>34,032</b>

## 1.4 Effect of Ind AS on the statement of profit or loss

₹ Lakhs

Particulars	Notes	For the year ended 31 March, 2017 (end of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
I Revenues from Operations	b	7,144	(56)	7,088
II Other Income	b	2,737	56	2,793
<b>III Total Income (I+II)</b>		<b>9,881</b>	<b>-</b>	<b>9,881</b>
<b>IV Expenses:</b>				
Employee benefits expense	c	1,376	6	1,382
Finance costs		278	-	278
Depreciation and amortisation expense		141	-	141
Other expenses	c	1,805	-	1,805
<b>Total Expenses (IV)</b>		<b>3,600</b>	<b>6</b>	<b>3,606</b>
<b>V Profit before tax (III-IV)</b>		<b>6,281</b>	<b>(6)</b>	<b>6,275</b>
<b>Tax Expense:</b>				
(1) Current Tax		1,322	-	1,322
(2) Relating to earlier year		18	-	18
(3) Deferred Tax		(45)	-	(45)
<b>VI Total tax expense</b>		<b>1,295</b>	<b>-</b>	<b>1,295</b>
<b>VII Profit for the period (V - VI)</b>		<b>4,986</b>	<b>(6)</b>	<b>4,980</b>
<b>VIII Other Comprehensive Income</b>				
A. i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans		-	6	6
		-	6	6
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>		<b>4,986</b>	<b>-</b>	<b>4,986</b>

## 1.5 Effect of Ind AS Adoption on the statement of cash flows

₹ Lakhs

Particulars	Notes	Year ended 31 March, 2017 (end of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Previous GAAP</b>				
Net cash flows from operating activities	b	2,546	(56)	2,490
Net cash flows from investing activities	b	(272)	56	(216)
Net cash flows from financing activities		(2,039)	-	(2,039)
<b>Net increase(decrease) in cash and cash equivalents</b>		<b>235</b>	<b>-</b>	<b>235</b>
Cash and cash equivalents at the beginning of the period		154	-	154
<b>Cash and cash equivalents at the end of the period</b>		<b>389</b>	<b>-</b>	<b>389</b>

## 1.6 Notes to first time adoption

- a. Under previous GAAP, investment in preference shares of Rane (Madras) Limited, recorded at cost of ₹ 600 Lakhs and considered under long term investment. This investment is now recognized at fair value of ₹ 823 Lakhs and reclassified as loans under financial assets as per Ind AS requirement. The differential value of ₹ 223 Lakhs is recognized as Ind AS transition reserve in other equity.

- b. Under previous GAAP, dividend income of ₹ 56 Lakhs from preference shares of Rane (Madras) Limited, recorded as income on receipt basis. As per Ind AS, this dividend income has been classified as interest income and recognised on accrual basis. The effect of the same was considered as Ind AS transition reserve in other equity.
- c. Under Previous GAAP, actuarial (gains) / losses arising out of remeasurement of defined benefit obligation were recognized as employee benefits expense in the statement of profit and loss. Under Ind AS, such re-measurement of (gains) / losses are recognized in OCI.
- d. Previous year IGAAP figures are classified as per Ind AS.

### 38. Financial Instruments

#### 38.1 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company isn't subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances as detailed in notes 17, 19 and 13.a.) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

##### 38.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Debt *	2,837	1,519	2,700
Cash and bank balances	(49)	(389)	(154)
Net debt	2,788	1,130	2,546
Total Equity**	38,169	34,977	30,569
Net debt to equity ratio	0.07	0.03	0.08

\* Debt is defined as long-term and short-term borrowings.

\*\* Equity includes all capital and reserve of the company that are managed as capital.

#### 38.2 Categories of financial instruments

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Financial assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
(i) Current Investment	792	5,273	876
<b>Measured at amortised cost</b>			
(a) Trade Receivables	1,191	586	383
(b) Cash and bank balances	49	389	154
(c) Other financial assets	18	909	936
<b>Measured at FVTOCI</b>			
(a) Investments in equity instruments designated upon initial recognition	1,027	-	-
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
Borrowings	1,915	844	2,194
Trade Payables	314	280	332
Other Financial Liabilities	1,073	815	654

Note: Investment in Subsidiaries, Joint Ventures and Associate of ₹ 28,426 Lakhs (2017: ₹ 19,950 Lakhs; 2016: ₹ 21,650 Lakhs) is shown at cost in balance sheet as per the Ind AS 27 "Separate Financial Statements"

**38.2.1 Fair Value of financial assets measured at FVTPL and FVTOCI (Refer 38.2)**

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2017	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
a. Mutual fund Investments (quoted)	792	5,273	876	1	Fair value is determined based on Net Assets Value published by respective funds
b. Investments in equity instruments designated upon initial recognition	1,027	-	-	3	Carrying value approximates fair value

**38.3 Financial risk management objectives**

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk and liquidity risk.

**38.4 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 prices.

The company is exposed to Equity Price risks arising from its Equity investments. However all the Equity investments in Group companies are strategic in nature and held for long term period rather than for trading purposes.

**38.5 Foreign Currency risk management**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures.

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

Currency	USD in Lakhs		
	Assets as at		
	31 March, 2018	31 March, 2017	01 April, 2016
USD	16	-	-
Total	16	-	-

**38.5.1 Foreign Currency sensitivity analysis**

The following table details the company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the rupee depreciates 5% against the relevant currency. For a 5% appreciation of the rupee against the relevant currency, there would be a comparable impact on the profit or equity.

Particulars	₹ Lakhs	
	Currency USD impact	
	2017 - 2018	2016 - 2017
Impact on profit or loss for the year	53	2
Impact on total equity as at the end of the reporting period	34	1

This is mainly attributable to the exposure outstanding on Foreign Currency receivables and investment in the Company at the end of the reporting period.

The Company's sensitivity to foreign currency has increased during the current year mainly due to new investment.

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.

### **38.6 Interest rate risk management**

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.

#### **38.6.1 Interest rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the company's:

- profit for the year ended 31 March, 2018 would decrease/increase by ₹ 9.56 Lakhs (for the year ended 31 March, 2017: decrease/ increase by ₹ 7.60 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings; and

The Company's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate borrowings.

### **38.7 Other price risks**

The company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company doesn't actively trade these investments.

#### **38.7.1 Equity Price Sensitivity Analysis**

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the fair value had been 5% higher/lower:

- profit for the year ended 31 March, 2018 would increase/decrease by ₹ 51.32 Lakhs as a result of the changes in fair value of equity investments which have been irrevocably designated at FVTOCI

### **38.8 Credit risk management**

Trade receivables consist of receivables from group companies. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

### **38.9 Liquidity risk management**

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.

**38.9.1 Liquidity and interest risk tables**

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March, 2018.

Particulars	As at 31 March, 2018		1-3 year	3-5 years	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year				
	Borrowings	1,915				
Interest on borrowings	46	46	-	-	-	46
Current Maturities of long term debt	922	922	-	-	-	922
Trade Payables	314	314	-	-	-	314
Other Financial Liabilities	105	105	-	-	-	105
<b>Total</b>	<b>3,302</b>	<b>1,387</b>	<b>117</b>	<b>1,798</b>	<b>-</b>	<b>3,302</b>

₹ Lakhs

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments thereon:

Particulars	As at 31 March, 2017		1-3 year	3-5 years	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year				
	Borrowings	844				
Interest on borrowings	35	35	-	-	-	35
Current Maturities of long term debt	675	675	-	-	-	675
Trade Payables	280	280	-	-	-	280
Other Financial Liabilities	104	104	-	-	-	104
<b>Total</b>	<b>1,938</b>	<b>1,094</b>	<b>844</b>	<b>-</b>	<b>-</b>	<b>1,938</b>

₹ Lakhs

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments thereon:

Particulars	As at 01 April, 2016		1-3 year	3-5 years	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year				
Borrowings	2,194	-	2,194	-	-	2,194
Interest on borrowings	48	48	-	-	-	48
Current Maturities of long term debt	506	506	-	-	-	506
Trade Payables	332	332	-	-	-	332
Other Financial Liabilities	100	100	-	-	-	100
<b>Total</b>	<b>3,180</b>	<b>986</b>	<b>2,194</b>	<b>-</b>	<b>-</b>	<b>3,180</b>

₹ Lakhs

### 38.10 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
<b>Financial assets at amortised cost:</b>						
- Interest accrued but not due on deposits, loans and etc.	-	-	56	56	55	55
- loans to related parties	-	-	823	823	823	823
- Trade receivables	1,191	1,191	586	586	383	383
- others	11	11	71	71	84	84
<b>Total</b>	<b>1,202</b>	<b>1,202</b>	<b>1,536</b>	<b>1,536</b>	<b>1,346</b>	<b>1,346</b>
<b>Financial liabilities</b>						
<b>Financial liabilities held at amortised cost:</b>						
Bank loans	1,915	1,915	844	844	2,194	2,194
Trade payables	314	314	280	280	332	332
Current maturities of long-term debt	922	922	675	675	506	506
Interest accrued but not due on borrowings	46	46	36	36	48	48
Unclaimed dividends	46	46	45	45	41	41
Others	59	59	59	59	59	59
Dividend payable	-	-	-	-	-	-
<b>Total</b>	<b>3,302</b>	<b>3,302</b>	<b>1,939</b>	<b>1,939</b>	<b>3,180</b>	<b>3,180</b>

₹ Lakhs

## Fair value hierarchy

₹ Lakhs

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Level 3	Total	Level 3	Total	Level 3	Total
<b>Financial assets</b>						
<b>Financial assets at amortised cost:</b>						
- Loans to related parties	-	-	823	823	823	823
- Trade receivables	1,191	1,191	586	586	383	383
- Interest accrued but not due on deposits, loans and etc.	-	-	56	56	55	55
- others	11	11	71	71	84	84
<b>Total</b>	<b>1,202</b>	<b>1,202</b>	<b>1,536</b>	<b>1,536</b>	<b>1,346</b>	<b>1,346</b>
<b>Financial liabilities</b>						
<b>Financial liabilities held at amortised cost:</b>						
Bank loans	1,915	1,915	844	844	2,194	2,194
Trade payables	314	314	280	280	332	332
Current maturities of long-term debt	922	922	675	675	506	506
Interest accrued but not due on borrowings	46	46	36	36	48	48
Unclaimed dividends	46	46	45	45	41	41
Others	59	59	59	59	59	59
Dividend payable	-	-	-	-	-	-
<b>Total</b>	<b>3,302</b>	<b>3,302</b>	<b>1,939</b>	<b>1,939</b>	<b>3,180</b>	<b>3,180</b>

The fair values of the non current financial assets and financial liabilities included in the level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

## 39. Segment Reporting

The Company holds strategic investments in subsidiaries and joint ventures (collectively called “the Group”) that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group. Further the Company does not have any operations outside India. As such there are no separate reportable segments as per Ind AS 108’ “Segment Reporting.

## 40. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 07 May, 2018.

## 41. Previous year’s figure

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

For and on behalf of the Board

Harish Lakshman

Vice Chairman  
DIN: 00012602

L Ganesh

Chairman and Managing Director  
DIN: 00012583Chennai  
07 May, 2018J Ananth  
Chief Financial OfficerSiva Chandrasekaran  
Secretary



## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RANE HOLDINGS LIMITED

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Rane Holdings Limited (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit in its joint ventures, comprising the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraphs (a) and (b) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

#### Emphasis of Matter

We draw attention to Note 42.4 of the consolidated financial statements relating to a Subsidiary (Rane Madras Limited), regarding recognition of insurance claim recoverable of ₹ 1,008 Lakhs during the year ended 31 March, 2018 based on Subsidiary company's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company, which has also been shown as Emphasis of Matter paragraph in the Audit report of the Subsidiary Company.

#### Our opinion is not modified in respect of this matter.

#### Other Matters

- (a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 75,843 lakhs as at 31 March, 2018, total revenues of ₹ 1,07,620 lakhs for the year ended on that date, and net cash inflows amounting to ₹ 1,851 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹ 5,853 Lakhs for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of two subsidiaries, whose financial statement reflect total assets of ₹ 3,496 lakhs as at 31 March, 2018, total revenues of ₹ 425 lakhs and net cash outflows amounting to ₹ 131 lakhs, for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit after tax of ₹ 103 lakhs for the year ended 31 March, 2018, as considered in the consolidated Ind AS financial statements, in respect of one joint venture, whose financial statements have not been audited

by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

- (c) The comparative financial statements for the year ended 31 March, 2017 in respect of five subsidiaries and one joint venture and the related transition date opening balance sheet as at 01 April, 2016 prepared in accordance with the Ind AS and included in these consolidated Ind AS financial statements have been audited by other auditors, whose reports have been furnished to us by the Management and in so far as it relates to the comparative amounts and disclosures included in respect of these subsidiaries and joint venture made in these consolidated Ind AS financial statements, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements is not modified in respect of the above matters on the comparative financial information.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow

Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Parent as on 31 March, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditors’ reports of the subsidiary companies and jointly controlled companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and joint ventures.
  - ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

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

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

Chennai  
07 May, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of Rane Holdings Limited (hereinafter referred to as “Parent”) and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

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

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

#### Auditor’s Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India.

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

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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, have, 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 31 March, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

#### Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to three subsidiary companies and one joint venture, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

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

Chennai  
07 May, 2018

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

# CONSOLIDATED BALANCE SHEET

## AS AT 31 MARCH, 2018

₹ Lakhs

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
a. Property, plant and equipment	3	70,987	70,729	71,264
b. Capital work-in-progress	3	2,789	3,225	1,254
c. Investment property	4	31	31	31
d. Goodwill	5	7,395	7,030	7,028
e. Other Intangible assets	6	2,121	252	130
f. Financial assets				
i. Investments in Joint Venture & Associate	7	32,907	25,345	22,968
ii. Other Investments	7	1,031	97	95
iii. Loans	8	1	4	14
iv. Other Financial assets	9	3,421	2,469	1,745
g. Deferred tax assets (Net)	12	1,325	646	1,216
h. Non-current tax assets (Net)	10	2,503	2,265	2,634
i. Other non-current assets	11	2,149	2,501	1,259
<b>Total Non-current assets</b>		<b>1,26,660</b>	<b>1,14,594</b>	<b>1,09,638</b>
<b>Current assets</b>				
a. Inventories	13	24,806	21,005	17,889
b. Financial assets				
i. Investments	7	792	5,273	876
ii. Trade receivables	14	45,618	35,577	33,395
iii. Cash and cash equivalents	15.a	2,834	1,222	703
iv. Bank balance other than mentioned in Cash and cash equivalents	15.b	95	1,017	190
v. Loans	8	28	39	68
vi. Other Financial assets	9	1,039	939	1,171
c. Other current assets	11	9,847	4,980	4,243
d. Assets held for sale	16	-	80	1
<b>Total Current assets</b>		<b>85,059</b>	<b>70,132</b>	<b>58,536</b>
<b>TOTAL ASSETS</b>		<b>2,11,719</b>	<b>1,84,726</b>	<b>1,68,174</b>

# CONSOLIDATED BALANCE SHEET

## AS AT 31 MARCH, 2018

₹ Lakhs

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a. Equity Share capital	17	1,428	1,428	1,428
b. Other equity	18	78,969	69,903	57,066
<b>Equity attributable to owners of the Company</b>		<b>80,397</b>	<b>71,331</b>	<b>58,494</b>
Non-Controlling Interest	19	25,751	23,690	19,081
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
a. Financial liabilities				
i. Borrowings	20	20,507	18,644	21,212
ii. Other financial liabilities	21	5	93	86
b. Provisions	22	1,972	1,507	1,378
c. Deferred tax liabilities (Net)	12	763	501	494
d. Other non-current liabilities	23	493	827	866
<b>Total Non-current liabilities</b>		<b>23,740</b>	<b>21,572</b>	<b>24,036</b>
<b>Current liabilities</b>				
a. Financial liabilities				
i. Borrowings	20	25,038	22,493	22,467
ii. Trade payables	25	41,319	31,963	25,715
iii. Other financial liabilities	21	6,955	7,795	12,594
b. Other current liabilities	23	6,601	4,425	4,432
c. Provisions	22	1,729	1,456	1,353
d. Current tax liabilities (Net)	24	189	1	2
<b>Total Current liabilities</b>		<b>81,831</b>	<b>68,133</b>	<b>66,563</b>
<b>Total Liabilities</b>		<b>1,05,571</b>	<b>89,705</b>	<b>90,599</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,11,719</b>	<b>1,84,726</b>	<b>1,68,174</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants

For and on behalf of the Board

**Ananthi Amarnath**  
Partner

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May, 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

SI No	Particulars	Note No.	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>I</b>	<b>Revenue from operations</b>	26	2,33,998	2,23,191
<b>II</b>	<b>Other income</b>	27	1,707	4,192
<b>III</b>	<b>Total Income (I+II)</b>		<b>2,35,705</b>	<b>2,27,383</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	28	1,19,565	1,01,837
	Purchase of Stock-in-trade	29	1,090	860
	Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade	30	(2,040)	(1,455)
	Excise duty on sale of goods		4,701	19,586
	Employee benefits expense	31	40,513	37,753
	Finance costs	32	4,426	4,311
	Depreciation and amortization expense	33	11,775	10,584
	Other expenses	34	46,207	43,904
	<b>Total expenses</b>		<b>2,26,237</b>	<b>2,17,380</b>
<b>V</b>	<b>Profit before share of profit of Joint Ventures and associate and exceptional items (III-IV)</b>		<b>9,468</b>	<b>10,003</b>
<b>VI</b>	<b>Share of Profit of Joint Ventures</b>		<b>12,662</b>	<b>8,117</b>
<b>VII</b>	<b>Share of Profit of Associate</b>		<b>-</b>	<b>431</b>
<b>VIII</b>	<b>Profit before exceptional items and tax (V+VI+VII)</b>		<b>22,130</b>	<b>18,551</b>
<b>IX</b>	<b>Exceptional items</b>	42	<b>1,410</b>	<b>7,573</b>
<b>X</b>	<b>Profit before tax (After Exceptional Items) (VIII+IX)</b>		<b>23,540</b>	<b>26,124</b>
<b>XI</b>	<b>Tax expense</b>	35		
	a) Current tax		10,040	6,750
	b) Deferred tax		(1,349)	1,264
	c) Minimum Alternate Tax Credit (availed)		-	(146)
	d) Provision for tax relating to earlier years		(3)	24
			8,688	7,892
<b>XII</b>	<b>Profit for the year (X - XI)</b>		<b>14,852</b>	<b>18,232</b>
	<b>Attributable to:</b>			
	<b>Owners of the parent</b>		<b>13,029</b>	<b>13,337</b>
	<b>Non- controlling interest</b>		<b>1,823</b>	<b>4,895</b>
<b>XIII</b>	<b>Other Comprehensive Income</b>			
	i) Items that will not be reclassified to profit or loss			
	a) Re-measurement losses on defined benefit plans		(207)	(35)
	b) Net movement on cash flow hedges		(4)	31
	c) Net gain on FVOCI equity securities		11	-



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

### FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

SI No	Particulars	Note No.	Year Ended 31 March, 2018	Year Ended 31 March, 2017
	d) Income tax relating to items that will not be reclassified to profit or loss		12	78
			<b>(188)</b>	<b>74</b>
	ii) Items that will be reclassified to profit or loss			
	a) Net movement on cash flow hedges		79	55
	b) Income tax relating to items that will be reclassified to profit or loss		(27)	(20)
	c) Exchange differences on translation of foreign operations		(427)	169
			<b>(375)</b>	<b>204</b>
XIV	<b>Total Comprehensive Income for the year (XII + XIII)</b>		<b>14,289</b>	<b>18,510</b>
	<b>Attributable to:</b>			
	<b>Owners of the parent</b>		<b>12,651</b>	<b>13,483</b>
	<b>Non- controlling interest</b>		<b>1,638</b>	<b>5,027</b>
XV	<b>Earnings per equity share</b>			
	Basic & Diluted (in ₹)	45	91	93

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board**

**Ananthi Amarnath**  
Partner

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May, 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31 MARCH, 2018

### A. Equity Share Capital

Particulars	₹ Lakhs Amount
As at 01 April, 2016	1,428
Changes in Equity Share Capital	-
As at 31 March, 2017	1,428
Changes in Equity Share Capital	-
As at 31 March, 2018	1,428

### B. Other Equity

Particulars	Reserve and Surplus						Other Reserve			Total Equity		
	General Reserve	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Securities Premium Reserve	Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Foreign Currency Translation Reserve		Hedge Reserve	
<b>Balance as at 01 April, 2016</b>	29,570	19,812	803	69	4,763	(10)	2,069	57,076	6	(16)	(10)	57,066
Profit for the year	-	13,337	-	-	-	-	-	13,337	-	-	-	13,337
Other comprehensive income for the year (net of tax)	-	31	-	-	-	-	-	31	94	21	115	146
Payment of Dividends	-	(500)	-	-	-	-	-	(500)	-	-	-	(500)
Tax on Dividend	-	(146)	-	-	-	-	-	(146)	-	-	-	(146)
<b>Balance as at 31 March, 2017</b>	<b>29,570</b>	<b>32,534</b>	<b>803</b>	<b>69</b>	<b>4,763</b>	<b>(10)</b>	<b>2,069</b>	<b>69,798</b>	<b>100</b>	<b>5</b>	<b>105</b>	<b>69,903</b>
Profit for the year	-	13,029	-	-	-	-	-	13,029	-	-	-	13,029
Other comprehensive income for the year (net of tax)	-	(153)	-	-	-	-	-	(153)	(257)	31	(226)	(379)
Payment of Dividends	-	(1,516)	-	-	-	-	-	(1,516)	-	-	-	(1,516)
Tax on Dividend	-	(423)	-	-	-	-	-	(423)	-	-	-	(423)
Transfer to capital redemption reserve	-	(497)	497	-	-	-	-	-	-	-	-	-
Transfer to General Reserves	6,001	(6,001)	-	-	-	-	-	-	-	-	-	-

₹ Lakhs

₹ Lakhs

Particulars	Reserve and Surplus						Other Reserve			Total Equity		
	General Reserve	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Securities Premium Reserve	Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Foreign Currency Translation Reserve		Hedge Reserve	Total
Effect on retained earnings due to acquisition of subsidiary	-	80	-	-	-	-	-	-	-	-	-	80
Addition due to increase in share holdings in Rane (Madras) Ltd	527	39	19	-	(2,316)	(1)	-	(1,732)	7	-	7	(1,725)
<b>Balance as at 31 March, 2018</b>	<b>36,098</b>	<b>37,092</b>	<b>1,319</b>	<b>69</b>	<b>2,447</b>	<b>(11)</b>	<b>2,069</b>	<b>79,083</b>	<b>(150)</b>	<b>36</b>	<b>(114)</b>	<b>78,969</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**Ananthi Amarnath**  
Partner

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May, 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

**For and on behalf of the Board**

# STATEMENT OF CONSOLIDATED CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>A. Cash flows from operating activities</b>		
<b>Profit for the year</b>	<b>14,852</b>	<b>18,232</b>
Adjustments for:		
Income Tax expenses recognised in P&L	8,688	7,892
Depreciation and amortisation of non-current assets	11,775	10,584
Gain on disposal of property, plant and equipment	(31)	(3)
Deferred revenue on government grant	(166)	(120)
Share of profit of Joint Ventures	(12,662)	(8,117)
Share of profit of associate	-	(431)
Divestment in associate	-	376
Gain on disposal of associate	-	(2,256)
Loss on disposal of property, plant and equipment	74	641
Finance costs	4,426	4,311
Liability no longer required written back	(353)	(144)
Provision for Doubtful Debts/Advances	72	317
Dividend Income from Current Investments	(135)	(147)
Exceptional items - Profit on land swap	(1,574)	-
Exceptional items - Profit on sale of land	-	(9,401)
Translation (gain) or loss on fixed asset	(21)	89
Net foreign exchange gain or (loss)	27	88
Foreign currency translation reserve	(427)	169
Interest income accrued	(129)	(166)
<b>Movements in working capital:</b>		
(Increase)/decrease in inventory	(3,760)	(3,102)
(Increase)/decrease in trade or other receivables	(9,949)	(2,771)
(Increase)/decrease in short-term loans and advances	12	29
(Increase)/decrease in long-term loans and advances	4	10
(Increase)/decrease in other long term financial assets	(894)	(724)
(Increase)/decrease in other short term financial assets	(95)	246
(Increase)/decrease in other non current assets	244	(353)
(Increase)/decrease in other current assets	(4,831)	(737)
Increase/(decrease) in trade payables	9,181	6,332
Increase/(decrease) in long term provisions	418	128
Increase/(decrease) in short term provisions	108	68
Increase/(decrease) in other non-current liabilities	(169)	81
Increase/(decrease) in other current liabilities	1,728	(295)
Increase/(decrease) in other non current financial liabilities	(88)	7
Increase/(decrease) in other current financial liabilities	(577)	113
Increase/(decrease) in cash balance not considered as cash and cash equivalents	921	(826)
<b>Cash generated from operations</b>	<b>16,669</b>	<b>20,120</b>
Income taxes paid	(4,470)	(4,137)
<b>Net cash generated from operations (A)</b>	<b>12,199</b>	<b>15,983</b>

# STATEMENT OF CONSOLIDATED CASH FLOWS

## FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>B. Cash flows from investing activities</b>		
Payments for property, plant, equipment and intangible assets	(11,778)	(13,733)
Proceeds from disposal of property, plant & equipment	19	9,585
Current year additions on acquisition of subsidiary	45	-
Sale of long term investments	92	4,350
Proceeds from/(Purchase of) current investments	4,481	(4,397)
Dividend Income from Joint Ventures	1,925	1,246
Dividend Income from Associate	-	52
Interest received	156	151
Dividend Income from Current Investments	135	147
Purchase of long term investments	(1,026)	(2)
<b>Net cash used in investing activities (B)</b>	<b>(5,951)</b>	<b>(2,601)</b>
<b>C. Cash flows from financing activities</b>		
Long term borrowings taken/(repaid)	3,398	(7,392)
Repayment of redeemable preference shares	(249)	-
Dividends paid on equity shares	(3,285)	(1,066)
Interest paid	(4,500)	(4,405)
<b>Net cash used in financing activities (C)</b>	<b>(4,636)</b>	<b>(12,863)</b>
<b>Net increase/(decrease) in cash or cash equivalents (A+B+C)</b>	<b>1,612</b>	<b>519</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,222</b>	<b>703</b>
<b>Cash and cash equivalents at the end of the year (Refer Note 15 a.)</b>	<b>2,834</b>	<b>1,222</b>

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached  
For **Deloitte Haskins & Sells**  
Chartered Accountants

**For and on behalf of the Board**

**Ananthi Amarnath**  
Partner

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH, 2018

### Summary of Significant Accounting Policies, critical judgements and key estimates

#### 1 Corporate Information

Rane Holdings Limited (“RHL” or “the Company”) is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Rane Group’s investment profile includes subsidiaries, joint ventures and associate. The Company’s income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of “RANE” trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure.

#### 2 1. Statement of compliance

The Consolidated 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.

Upto the year ended 31 March, 2017, the Company prepared the financial statements in accordance with the requirements of the previous GAAP, which includes standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the 2013 Act.

These are the Group’s first Ind AS financial statements. The date of transition to the Ind AS is 01 April, 2016. Refer Note 47 for details of the first-time adoption exceptions and exemptions availed by the Company.

#### 2. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange of services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The principal accounting policies are mentioned below:

All assets and liabilities have been classified as current or non-current as per Company’s normal operating cycle. Based on the nature of 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 twelve months for the purpose of current / non-current classification of assets and liabilities.

#### 3. Principles and Particulars of Consolidation:

The consolidated financial statements relate to Rane Holdings Limited (referred as “the Company” or “the Holding Company”), its subsidiary companies (Collectively referred to as “the group”) and the Group’s share of profit / (loss) in its joint ventures and associate.

The Financial statements of the Subsidiaries, Joint Ventures and Associate used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March, 2018.

#### 4. Basis of Consolidation

##### a. Subsidiaries

Subsidiaries are entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

##### b. Joint Ventures and Associate

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangements

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

have the rights to the net assets of the joint arrangement. An associate is an entity over which the Group has significant influence.

The results and assets and liabilities of the Joint ventures and associates are incorporated in the consolidated financial statements using Equity Method of accounting

### 5. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions as considered in 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.

### 6. Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

The Group has elected to continue with the carrying value of all of its tangible assets recognised as on 01 April, 2016 measured as per the previous GAAP and use the carrying value as its deemed cost as of transition date.

Depreciation on tangible property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Asset	Useful lives (in years)
Buildings	30 Years
Leasehold Improvements	5 Years
Vehicles	5 Years
Furniture and Fitting	5 Years
Office Equipment (including computers)	3 Years

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

During the year 2016-17, RHL has revised the useful life of buildings from 60 years to 30 years after considering the following aspects

- a. High Frequency of usage
- b. Increase in repair & maintenance charges and replacement
- c. Modification to the aesthetic structure of the buildings for expansion and other purposes.

The Company has calculated depreciation effective from April 01, 2016 adopting revised useful life of 30 years for both office and residential building. The incremental depreciation on account of the above revision, for the year ended 31 March, 2017 is ₹ 25.76 Lakhs.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 7. Investment Property

Investment property is measured initially at its cost, including related transaction costs. 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 company 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.

### 8. Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

### 9. Intangible Assets:

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in

which case such expenditure is added to the cost of the asset. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The amortisation expense on intangible assets is recognised in the statement of profit or loss. An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

The Group has elected to continue with the carrying value of all of its intangible assets recognised as on 01 April, 2016 measured as per the previous GAAP and use the carrying value as its deemed cost as of transition date.

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

Asset	Useful lives (in years)
License Fee on Software	3 Years or license period whichever is lower
Technical Know how	3 Years
Internally generated software	6 Years
Customer relationships	4 Years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

### 10. Impairment of tangible and intangible assets including goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

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

### 11. Borrowings and Borrowing Costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which

are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

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

### 12. Leasing

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

#### As a lessor

##### Finance Lease :

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases.

##### Operating Lease :

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the group's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### As a lessee

##### Finance Lease :

Assets held under finance leases are initially recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

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

### **Operating Lease :**

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **13. Inventories**

Stores and spare parts, Raw materials and components, work in progress and finished goods are valued at lower of cost and net realisable value. The basis of determining cost for various categories of inventory is as follows;

- a) Raw materials and components, stores and spares - Weighted average method
- b) Work in progress and finished goods - Material cost plus appropriate share of labour and production overheads

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are written down for obsolete/slow moving/non-moving items wherever necessary.

### **14. Cash and cash equivalents**

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

### **15. Foreign Currency Transactions and translations 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 recognised in the Statement of Profit and Loss.

### **Derivative Financial instruments and Hedge Accounting**

The Group is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Group has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Group enters into various foreign currency derivative contracts with Banks in the form of Forward currency contracts ('Hedging instrument') and recognise the financial assets/liabilities ('hedged item') through formal documentation

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

of the hedging relationship in line with the Group'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 recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised 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 recognised hedged item.

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

### 16. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods : Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:-

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group ; and
- the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and collection. The Subscription charges, Partner Empowerment Fees, Software services upon completion of assignment and on services as per the mutually accepted terms and conditions in line with contracts/agreements with the customer. The Service income shall also be construed as completed upon the fulfilment of desired obligations on both the parties to the agreement, with no uncertainty

regarding the consideration to be received on the services and it is shown excluding taxes.

Revenue from sales is recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at the fair value of consideration received or receivable, net of trade discounts, rebates, goods and service tax.

### Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable , which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition

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

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

### 17. Government Grants

Government grants, including export incentives, are recognised only when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

### 18. Employee Benefits

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

### Defined contribution plans

#### Provident Fund

The Group contributes to a government administered Provident fund on behalf of its employees, which are charged to the consolidated statement of profit and loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The Group has no obligations for future provident fund benefits other than its monthly contributions.

### Superannuation Fund

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

### Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### Defined benefit costs are categorized as follows:

1. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. Net interest expense or income; and
3. Re-measurement
  - a. The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.
  - b. Past service cost is recognised in profit or loss in the period of a plan amendment.
  - c. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
  - d. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

### Long-term employee benefits

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

### 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 utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 20. Provisions and Contingent Liabilities

**Provisions :** Provisions are recognised 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 recognised 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 Group 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.

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

### 21. Taxation

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

#### a. Current tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income

Tax Act, 1961 and other applicable Income tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., in other comprehensive income. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### b. Deferred tax:

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is reasonable certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### c. Minimum Alternate Tax (MAT)

Minimum Alternate Tax(MAT) is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that Group will pay normal income tax. Accordingly, MAT asset is recognised in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the company.

#### d. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Company establishes provision, based on reasonable

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

estimates. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations of tax regulation by the taxable entity and the responsible tax authority. Such differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing on the respective domicile of the Companies.

### 22. Financial Instruments

#### Initial recognition

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

##### iv. Derecognition of financial instruments

The Group 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 Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### Impairment

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

### 23. Financial and Corporate guarantee contracts

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

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

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

### 24. Fair Value :

The Group measures financial instruments at fair value in accordance with the accounting policies. 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, categorized into three levels, described as follows:

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

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).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 25. Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

### 26. Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

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

### 27. Segment Reporting

The Company holds strategic investments in subsidiaries and joint ventures (collectively called “the Group”) that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group.

### 28. Subsequent Events

The Group evaluated all events and transactions that occurred after 31 March, 2018 through 07 May, 2018, the date the financial statements are issued. Based on the evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

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

In the application of the Group’s accounting policies, which are described in note 3, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The 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.

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.

#### 29.1. Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

#### 29.2 Useful lives of property, plant and equipment

As described at Note 2 (SI no.6) 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 Group’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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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.

### 29.3 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.

### 29.4 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available.

### 29.5 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.

### 30. Standards issued but not yet effective

- a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April, 2018. The Group has evaluated the effect of this on the financial statements and the impact is not material.
- b) Ind AS 115- Revenue from Contract with Customers: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

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

##### a. Property, Plant and Equipment

	₹ Lakhs		
Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Carrying amounts of:</b>			
Freehold land	11,200	11,192	11,124
Buildings	14,524	14,239	14,113
Plant and equipment	43,871	44,081	44,811
Computer and Accessories	104	108	83
Furniture and Fixtures	371	360	452
Office Equipments	763	590	544
Vehicles	123	126	92
Electrical equipments	31	33	45
	<b>70,987</b>	<b>70,729</b>	<b>71,264</b>

<b>b. Capital Work-in-progress</b>	<b>2,789</b>	<b>3,225</b>	<b>1,254</b>
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##### Cost or Deemed Cost

	₹ Lakhs								
Particulars	Freehold land	Buildings	Plant and equipment	Computers and Accessories	Furniture and Fixtures	Office Equipments	Vehicles	Electrical equipments	Total
<b>Balance as at 01 April, 2016</b>	<b>11,124</b>	<b>14,113</b>	<b>44,811</b>	<b>83</b>	<b>452</b>	<b>544</b>	<b>92</b>	<b>45</b>	<b>71,264</b>
Additions	69	896	9,299	92	75	365	73	7	10,876
Disposals	(1)	(124)	(699)	(1)	(4)	(2)	-	-	(831)
Effect of foreign currency exchange differences	-	-	(143)	-	-	(1)	-	-	(144)
Borrowing costs capitalised	-	-	9	-	-	-	-	-	9
<b>Balance as at 31 March, 2017</b>	<b>11,192</b>	<b>14,885</b>	<b>53,277</b>	<b>174</b>	<b>523</b>	<b>906</b>	<b>165</b>	<b>52</b>	<b>81,174</b>
Additions	11	951	9,913	9	53	493	36	6	11,472
Disposals	(3)	-	(107)	(1)	(7)	(12)	(10)	-	(140)
Effect of foreign currency exchange differences	-	-	43	-	-	2	-	-	45
Acquisition through Business combination (Refer Note 3.6)	-	-	22	70	180	52	34	-	358
<b>Balance as at 31 March, 2018</b>	<b>11,200</b>	<b>15,836</b>	<b>63,148</b>	<b>252</b>	<b>749</b>	<b>1,441</b>	<b>225</b>	<b>58</b>	<b>92,909</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Accumulated depreciation and impairment

₹ Lakhs

Particulars	Freehold land	Buildings	Plant and equipment	Computer and Accessories	Furniture and Fixtures	Office Equipments	Vehicles	Electrical Equipments	Total
Balance as at 01 April, 2016	-	-	-	-	-	-	-	-	-
Eliminated on disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	-	646	9,250	66	163	317	39	19	10,500
Effect of foreign currency exchange differences	-	-	(54)	-	-	(1)	-	-	(55)
<b>Balance as at 31 March, 2017</b>	-	<b>646</b>	<b>9,196</b>	<b>66</b>	<b>163</b>	<b>316</b>	<b>39</b>	<b>19</b>	<b>10,445</b>
Depreciation expense / impairment expense (Refer note 3.5)	-	666	10,139	60	159	353	39	8	11,424
Eliminated on disposals	-	-	(96)	-	(3)	(10)	(7)	-	(116)
Effect of foreign currency exchange differences	-	-	24	-	-	-	-	-	24
Acquisition through Business combination (Refer note 3.6)	-	-	14	22	59	19	31	-	145
<b>Balance as at 31 March, 2018</b>	-	<b>1,312</b>	<b>19,277</b>	<b>148</b>	<b>378</b>	<b>678</b>	<b>102</b>	<b>27</b>	<b>21,922</b>
<b>Carrying amount as at 01 April, 2016</b>	<b>11,124</b>	<b>14,113</b>	<b>44,811</b>	<b>83</b>	<b>452</b>	<b>544</b>	<b>92</b>	<b>45</b>	<b>71,264</b>
<b>Carrying amount as at 31 March, 2017</b>	<b>11,192</b>	<b>14,239</b>	<b>44,081</b>	<b>108</b>	<b>360</b>	<b>590</b>	<b>126</b>	<b>33</b>	<b>70,729</b>
<b>Carrying amount as at 31 March, 2018</b>	<b>11,200</b>	<b>14,524</b>	<b>43,871</b>	<b>104</b>	<b>371</b>	<b>763</b>	<b>123</b>	<b>31</b>	<b>70,987</b>

Note:

- 3.1. All the land and buildings held by RHL as on 31 March, 2018 and 31 March, 2017 are free of lien except land mortgaged for loan availed from Tata Capital Financial Services Limited (refer Note - 20.8)
- 3.2. Moveable fixed assets of RHL are mortgaged for working capital facility with Citi Bank N.A.
- 3.3. In respect of RML: Property, Plant and Equipment pledged as security is specified in Borrowings note no 20.1
- 3.4. In respect of REVL: Property, Plant and Equipment pledged as security is specified in Borrowings note no 20.2
- 3.5. In respect of RBL:
 

Impairment loss of ₹ 201 lakhs in plant and machinery has been recognised in respect of a product line at one of its plants on account of slowdown in market offtake of the respective product. The recoverable amount of the said unit amounts to ₹ 30 lakhs determined by the management based on estimated residual value, which is categorised within Level-3 hierarchy under Ind AS-113.
- 3.6. Acquisition through Business combination represents opening balance of Rane t4u Private Limited acquired during the year by RHL.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 4. Investment Property

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Carrying amounts of:</b>			
Investment property - Land	31	31	31
	<b>31</b>	<b>31</b>	<b>31</b>

#### 4.1 Fair value of the Company's investment property :

Particulars	₹ Lakhs		
	Level 2 (Guideline Value)		
	31 March, 2018	31 March, 2017	01 April, 2016
Fair Value	54	80	80

In respect of the Subsidiary company REVL, the fair value represents the valuation based on the market value guidelines indicated by the Registration Department of Government of Tamil Nadu.

### 5. Goodwill

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Cost or deemed cost</b>	7,395	7,030	7,028
Accumulated impairment losses	-	-	-
	<b>7,395</b>	<b>7,030</b>	<b>7,028</b>

Particulars	₹ Lakhs
	Amount
<b>Cost or deemed cost</b>	
<b>Balance as at 01 April, 2016</b>	<b>7,028</b>
Additions	2
Disposals	-
<b>Balance as at 31 March, 2017</b>	<b>7,030</b>
Additions	365
Disposals	-
<b>Balance as at 31 March, 2018</b>	<b>7,395</b>
<b>Accumulated impairment losses</b>	
<b>Balance as at 01 April, 2016</b>	-
Impairment losses recognised in the year	-
Additions	-
Disposals	-
<b>Balance as at 31 March, 2017</b>	-
Impairment losses recognised in the year	-
Additions	-
Disposals	-
<b>Balance as at 31 March, 2018</b>	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

For impairment testing the carrying amount of goodwill was allocated to cash generating units as follows:

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Rane (Madras) Limited	2,844	2,844	2,844
Rane Precision Die Casting Inc.	196	196	196
Rane Engine Valve Limited	3,874	3,874	3,874
Rane Brake Lining Limited	114	114	114
Rane Holdings Europe GmbH	2	2	-
Rane t4u Private Limited	365	-	-
	<b>7,395</b>	<b>7,030</b>	<b>7,028</b>

Key assumptions used for value-in-use calculations:

The group company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) is determined based on fair value less costs of disposal in the case of quoted investments and in the case of unquoted investments, it is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

### 6. Intangible Assets

₹ Lakhs

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Carrying amounts of:</b>			
Software Licence	1,625	233	97
Technical-know how	452	19	33
Customer Relationship	44	-	-
	<b>2,121</b>	<b>252</b>	<b>130</b>

₹ Lakhs

Particulars	Software License	Technical know-how	Customer Relationship	Total
<b>Cost or Deemed Cost</b>				
<b>Balance as at 01 April, 2016</b>	<b>97</b>	<b>33</b>	<b>-</b>	<b>130</b>
Additions	206	-	-	206
Disposals	-	-	-	-
<b>Balance as at 31 March, 2017</b>	<b>303</b>	<b>33</b>	<b>-</b>	<b>336</b>
Additions	104	471	-	575
Disposals	-	-	-	-
Acquisition through Business combination (Refer Note 6.2)	1,595	-	50	1,645
<b>Balance as at 31 March, 2018</b>	<b>2,002</b>	<b>504</b>	<b>50</b>	<b>2,556</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Accumulated depreciation and impairment

₹ Lakhs

Particulars	Software License	Technical know-how	Customer Relationship	Total
<b>Balance as at 01 April, 2016</b>	-	-	-	-
Amortisation expense	70	14	-	84
Elimination on disposals	-	-	-	-
<b>Balance as at 31 March, 2017</b>	<b>70</b>	<b>14</b>	-	<b>84</b>
Amortisation expense	121	38	-	159
Elimination on disposals	-	-	-	-
Acquisition through Business combination (Refer Note 6.2)	186	-	6	192
<b>Balance as at 31 March, 2018</b>	<b>377</b>	<b>52</b>	<b>6</b>	<b>435</b>
<b>Carrying amount as at 01 April, 2016</b>	<b>97</b>	<b>33</b>	-	<b>130</b>
<b>Carrying amount as at 31 March, 2017</b>	<b>233</b>	<b>19</b>	-	<b>252</b>
<b>Carrying amount as at 31 March, 2018</b>	<b>1,625</b>	<b>452</b>	<b>44</b>	<b>2,121</b>

Notes:

- 6.1. Rane Holdings Limited has acquired 69.41% equity shares of Rane t4u Private Limited. Ind AS 103 Business Combinations has been applied for valuing the acquired business. The parent company has identified customer relationship as an intangible asset while fair valuing the company's net assets.
- 6.2. Acquisition through Business combination represents opening balance of Rane t4u Private Limited acquired during the year by RHL recognized at fair value.

### 7. Investments

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>I. Unquoted Investments:</b>						
<b>A. Joint Venture Companies (Refer note 7.3)</b>						
Rane TRW Steering Systems Private Limited (43,69,123 shares of ₹ 10 each)	17,180	14,754	13,236	-	-	-
Rane NSK Steering Systems Private Limited (87,71,000 shares of ₹ 10 each)	14,609	9,552	6,903	-	-	-
JMA Rane Marketing Limited (3,60,003 shares of ₹ 10 each)	1,118	1,039	976	-	-	-
<b>B. Associate Companies (Refer note 7.3)</b>						
SasMos HET Technologies Limited (6,11,399 shares of ₹ 10 each)	-	-	1,853	-	-	-
	<b>32,907</b>	<b>25,345</b>	<b>22,968</b>	-	-	-
<b>C. Investments in Equity Instruments at FVTPL:</b>						
TCW Renewable Energy (India) Private Limited (Refer note 7.2) (10,22,422 shares of ₹ 10 each for the year ended 01 April, 2016 and 31 March, 2017, Nil as on 31 March, 2018)	-	92	92	-	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Clean Wind Power (Manvi) Private Limited (24,000 shares of ₹ 10 each for the year ended 01 April, 2016 and 43,200 shares of ₹ 10 each for the year ended 31 March, 2017 and 31 March, 2018)	5	5	3	-	-	-
<b>D. Investments in Equity at FVTOCI:</b>						
AutoTech Fund I, L.P (Refer note 7.1)	1,026	-	-	-	-	-
Wellington Corporate Foundation (60 Shares of ₹ 10 each)	-	-	-	-	-	-
	<b>1,031</b>	<b>97</b>	<b>95</b>	-	-	-
<b>Non Current Investments</b>	<b>33,938</b>	<b>25,442</b>	<b>23,063</b>	-	-	-
<b>E. Investment in Mutual Funds</b>						
<b>Unquoted Investments</b>						
Investment in Mutual Fund - Measured at FVTPL						
- HDFC Liquid Fund - Dividend Daily Reinvestment	-	-	-	376	2,852	576
- Aditya Birla Sun Life Mutual Fund - Dividend Daily Reinvestment	-	-	-	416	2,421	300
<b>Current Investments</b>	-	-	-	<b>792</b>	<b>5,273</b>	<b>876</b>

7.1. RHL has invested ₹ 1,026 lakhs (USD 15,75,000) in AutoTech Fund I, LP towards its share of capital contribution as one of the Limited partners in the Fund during the year 2017-18

7.2. During the year 2017-18, subsidiary companies, Rane Engine Valve Limited and Rane Brake Lining Limited had divested shareholding in TCW Renewable Energy (India) Private Limited, 6,13,453 shares and 4,08,969 shares of ₹ 10/- each respectively.

7.3. The investment in joint ventures and associates are valued as follows:

The results of assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate or joint venture investment. Distributions received from an associate or a joint venture are reduced from the carrying amount of the investment

### 8. Loans

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Loans and advances to employees	1	4	14	28	39	68
	<b>1</b>	<b>4</b>	<b>14</b>	<b>28</b>	<b>39</b>	<b>68</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 9. Other Financial Assets

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Security deposits (Refer note 9.2)	1,564	1,567	1,220	37	37	25
Interest receivable	-	-	-	93	120	106
Other deposits	514	505	453	-	-	-
Deposits with Statutory Authorities (Refer note 9.3.b)	41	26	27	-	-	-
Claims Receivable (Refer note 42.4)	1,008	-	-	535	346	324
Earmarked balances - others	21	17	11	-	-	-
Long term deposits more than 1 year (Refer note 9.3.a)	49	14	34	-	-	-
Loans and advances to employees	-	-	-	13	15	21
Rent deposits	26	-	-	66	57	50
Provision for Forward Contracts / Derivatives	-	-	-	-	64	280
Derivative assets	-	-	-	79	-	-
Margin money Deposits (Refer note 9.1)	198	340	-	15	15	15
Advance recoverable in cash	-	-	-	38	23	75
Forward exchange contract (Net)	-	-	-	-	-	164
Rebate of ED on Exports Receivable	-	-	-	81	203	15
Duty Drawback Receivable	-	-	-	64	59	79
Unbilled revenue	-	-	-	10	-	-
Other receivable	-	-	-	8	-	17
<b>Total</b>	<b>3,421</b>	<b>2,469</b>	<b>1,745</b>	<b>1,039</b>	<b>939</b>	<b>1,171</b>

Notes:

#### 9.1 In respect of RML:

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

#### 9.2 In respect of RBL:

Security deposits includes rent deposit paid to director - ₹ 12 Lakhs (31 March, 2017: ₹ 12 Lakhs)

#### 9.3 In respect of T4U:

- a. Restricted Bank Deposits include ₹ 39 lakhs as at 31 March, 2018, held as security in relation to interest and repayment of bank borrowings. These are pledged till the maturity of the respective borrowings.
- b. Deposit with statutory authorities include ₹ 15 lakhs as at 31 March, 2018, held as a deposit in relation to ongoing disputes with service tax authorities.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 10. Non-current tax assets (Net)

₹ Lakhs

Particulars	Non-current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Advance Income-tax (net of provision for taxation)	2,503	2,265	2,634	-	-	-
	<b>2,503</b>	<b>2,265</b>	<b>2,634</b>	-	-	-

### 11. Other Assets (Unsecured, considered good unless stated otherwise)

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>a. Unsecured and considered good unless otherwise stated:</b>						
Prepaid expenses	2	1	-	804	732	548
Capital advances	997	1,106	216	-	-	-
Balance with statutory/government authorities	732	587	483	6,270	2,571	2,288
Advances to suppliers	-	-	-	1,245	416	533
Prepayment against leasehold land	195	204	236	-	-	-
Tooling advance	223	603	324	-	-	-
Advances to employees	-	-	-	102	103	67
Export Entitlements	-	-	-	820	714	522
MEIS Scrips received	-	-	-	50	13	9
MEIS Receivable	-	-	-	465	385	247
Others	-	-	-	91	46	29
<b>b. Unsecured and considered doubtful:</b>						
Capital Advances	20	20	-	-	-	14
Less: Provision for doubtful advances	(20)	(20)	-	-	-	(14)
	<b>2,149</b>	<b>2,501</b>	<b>1,259</b>	<b>9,847</b>	<b>4,980</b>	<b>4,243</b>

### 12. Deferred tax balances

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

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Deferred tax assets	1,325	646	1,216
Deferred tax liabilities	(763)	(501)	(494)



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### Deferred Tax Assets - 2017-18

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Effect on Business combination	Closing Balance
₹ Lakhs						
<b>Deferred tax assets</b>						
Expenses allowable under tax on actual payment basis	517	340	-	-	-	857
Voluntary Retirement Compensation Scheme	903	(411)	-	-	-	492
Amalgamation Expenses	10	(5)	-	-	-	5
Provision for doubtful debts	175	(17)	-	-	25	183
Defined benefit obligation - Gratuity	45	3	(26)	-	12	34
Unused Tax losses (including unabsorbed depreciation)	-	392	-	-	82	474
Unused Tax Credit (MAT Credit Entitlement)	585	(28)	-	(162)	-	395
Other temporary differences	343	102	-	(2)	-	443
Provision for leave salary	51	(12)	-	-	7	46
Provision for bonus	4	(1)	-	-	2	5
Business loss carried forwarded	-	154	-	-	53	207
Provision for statutory liability	-	(56)	-	-	64	8
	<b>2,633</b>	<b>461</b>	<b>(26)</b>	<b>(164)</b>	<b>245</b>	<b>3,149</b>
<b>Deferred tax liabilities</b>						
Restatement of Equity Investments	-	-	(3)	-	-	(3)
Property, plant and Equipment	(2,314)	541	-	-	(48)	(1,821)
	<b>(2,314)</b>	<b>541</b>	<b>(3)</b>	<b>-</b>	<b>(48)</b>	<b>(1,824)</b>
<b>Net Deferred Tax Asset (Net of deferred tax liability)</b>	<b>319</b>	<b>1,002</b>	<b>(29)</b>	<b>(164)</b>	<b>197</b>	<b>1,325</b>

#### Deferred Tax Liabilities - 2017-18

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Effect on Business combination	Closing Balance
₹ Lakhs						
<b>Deferred tax assets</b>						
Voluntary Retirement Compensation Scheme	188	(110)	-	-	-	78
Unused Tax Credit (MAT Credit Entitlement)	1,252	-	-	(534)	-	718
Others	1,133	(659)	27	-	-	501
Provision for expense	591	37	-	-	-	628
	<b>3,164</b>	<b>(732)</b>	<b>27</b>	<b>(534)</b>	<b>-</b>	<b>1,925</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Effect on Business combination	Closing Balance
<b>Deferred tax liabilities</b>						
Deferred tax liability due to fair valuation asset	-	55	-	(253)	-	(198)
Dividend distribution tax on undistributed profit	(265)	(85)	-	-	-	(350)
Cash flow hedge reserve	9	-	(27)	-	-	(18)
Property plant and equipment	(3,082)	960	-	-	-	(2,122)
	<b>(3,338)</b>	<b>930</b>	<b>(27)</b>	<b>(253)</b>	-	<b>(2,688)</b>
<b>Net Deferred Tax Liability (Net of deferred tax asset)</b>	<b>(174)</b>	<b>198</b>	<b>-</b>	<b>(787)</b>	<b>-</b>	<b>(763)</b>

### Deferred Tax Assets - 2016-17

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing balance
<b>Deferred tax assets</b>					
Expenses allowable under tax on actual payment basis	270	24	-	-	294
Voluntary Retirement Compensation Scheme	1,150	(466)	-	-	684
Amalgamation Expenses	15	(6)	-	-	9
Provision for doubtful debts	47	1	-	-	48
Defined benefit obligation - Gratuity	-	-	35	-	35
Unused Tax losses (including unabsorbed depreciation)	672	(672)	-	-	-
Unused Tax Credit (MAT Credit Entitlement)	1,312	363	-	-	1,675
Others	333	759	33	8	1,133
Provision for expense	494	97	-	-	591
Cash flow hedge reserve	29	-	(20)	-	9
	<b>4,322</b>	<b>100</b>	<b>48</b>	<b>8</b>	<b>4,478</b>
<b>Deferred tax liabilities</b>					
Property plant and equipment and Intangible Assets	(3,106)	(726)	-	-	(3,832)
	<b>(3,106)</b>	<b>(726)</b>	<b>-</b>	<b>-</b>	<b>(3,832)</b>
<b>Net Deferred Tax Asset (Net of deferred tax liability)</b>	<b>1,216</b>	<b>(626)</b>	<b>48</b>	<b>8</b>	<b>646</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Deferred Tax Liabilities - 2016-17

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing balance
₹ Lakhs					
<b>Deferred tax assets</b>					
Expenses allowable under tax on actual payment basis	231	(8)	-	-	223
Voluntary Retirement Compensation Scheme	-	407	-	-	407
Provision for doubtful debts	40	87	-	-	127
Defined benefit obligation - Gratuity	-	-	10	-	10
Unused Tax Credit (MAT Credit Entitlement)	135	20	-	7	162
Other temporary differences	301	42	-	-	343
Provision for leave salary	44	7	-	-	51
Provision for bonus	4	-	-	-	4
	<b>755</b>	<b>555</b>	<b>10</b>	<b>7</b>	<b>1,327</b>
<b>Deferred tax liabilities</b>					
Property plant and equipment and Intangible Assets	(1,249)	(314)	-	-	(1,563)
Other temporary differences	-	-	-	-	-
Dividend distribution tax on undistributed profit	-	(265)	-	-	(265)
	<b>(1,249)</b>	<b>(579)</b>	<b>-</b>	<b>-</b>	<b>(1,828)</b>
<b>Net Deferred Tax Liability (Net of deferred tax asset)</b>	<b>(494)</b>	<b>(24)</b>	<b>10</b>	<b>7</b>	<b>(501)</b>

### 13. Inventories (Valued at lower of cost and net realizable value)

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
₹ Lakhs			
Stores & Spares	3,628	3,325	2,101
Raw Materials and components	6,231	4,666	4,279
Work-in-process	3,614	2,736	2,683
Finished Goods	8,947	8,167	7,166
Stock in Trade	203	147	178
<b>Goods-in-transit</b>			
Raw Materials and components	374	518	468
Finished Goods	1,809	1,446	1,014
	<b>24,806</b>	<b>21,005</b>	<b>17,889</b>

- 13.1. The cost of inventories recognised as an expense during the year is given in notes to Statement of profit and loss (Refer note 30)
- 13.2. In respect of Rane Engine Valve Ltd, the cost of inventories recognized as an expense includes ₹ 138 Lakhs (during 2016-17: ₹ 99 Lakhs) in respect of write-downs of inventory to net realizable value.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

- 13.3. In respect of Rane (Madras) Ltd, the cost of inventories recognised as an expense includes ₹ Nil (during 2016-17: ₹ 56 Lakhs ) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ 31 Lakhs (during 2016-17: Nil) in respect of the reversal of such write-downs.
- 13.4. In respect of Rane Brake Lining Limited, the cost of inventories recognised as an expense includes ₹ 67 Lakhs (during 2016-17: ₹ 36 Lakhs) in respect of write-downs of inventory to net realisable value.
- 13.5. The method of valuation of inventories has been stated in Note 2 (SI No.13)

### 14. Trade Receivables

₹ Lakhs

Particulars	Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured considered good	45,618	35,577	33,395
Unsecured considered doubtful	845	854	606
Less: Allowance for doubtful debts	(845)	(854)	(606)
	<b>45,618</b>	<b>35,577</b>	<b>33,395</b>

The credit period for the group companies is as follows:

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

The range of provision created as a percentage of outstanding under various age groups below 120 days past due comes to 0% - 30%. The Group as a policy provides for 100% for outstanding above 120 days from the due date.

₹ Lakhs

Movement in expected credit loss allowance	Year ended 31 March, 2018	Year ended 31 March, 2017
Balance at beginning of the year	854	606
Charge in statement of profit and loss	132	275
Amount written off during the year	(141)	(27)
<b>Balance at end of the year</b>	<b>845</b>	<b>854</b>

### 15.a. Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Cash on hand	27	28	28
<b>Balance with banks in</b>			
Current accounts	861	1,125	521
EEFC account	252	2	3
Cash credit accounts	9	14	1
Deposit accounts	1,152	53	150
Mutual Fund investments	533	-	-
	<b>2,834</b>	<b>1,222</b>	<b>703</b>

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 15.b. Bank balances other than above

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Balances with banks in earmarked accounts - Unclaimed Dividend	83	85	83
Balances with banks in earmarked accounts - Margin Money accounts *	11	9	6
Capital Gain Deposit Scheme	-	900	-
Unpaid REVL Fractional Shares account	1	1	1
Security for Public Deposits	-	22	100
	<b>95</b>	<b>1,017</b>	<b>190</b>

\* Held as margin by bank against bank guarantees

### 16. Assets held for sale

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Property, plant and equipment	-	80	1
	-	<b>80</b>	<b>1</b>

In respect to REVL, certain assets were classified as held for sale in the previous years. In view of certain practical difficulties, the intended sale did not materialise and hence, the remaining carrying value of such assets have been written off in the books during the year.

### 17. Equity Share Capital

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>a. Authorised Share Capital :</b>			
<b>Equity Shares:</b>			
1,50,00,000 Equity Shares of ₹ 10 each	1,500	1,500	1,500
<b>Preference Shares:</b>			
50,00,000 13.5% Cumulative Redeemable Preference Shares of ₹ 10 each	500	500	500
<b>b. Issued Share Capital:</b>			
1,42,77,809 Equity Shares (1,42,77,809 Shares) of ₹ 10 each	1,428	1,428	1,428
<b>c. Subscribed Share Capital:</b>			
1,42,77,809 Equity Shares (1,42,77,809 Shares) of ₹10 each fully paid-up	1,428	1,428	1,428
	<b>1,428</b>	<b>1,428</b>	<b>1,428</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 17.1 Reconciliation of number of shares

₹ Lakhs

Particulars	2017-18		2016-17	
	Number of shares	Amount	Number of shares	Amount
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the period	1,42,77,809	1,428	1,42,77,809	1,428
Add/Less : movement during the year	-	-	-	-
<b>At the end of the period</b>	<b>1,42,77,809</b>	<b>1,428</b>	<b>1,42,77,809</b>	<b>1,428</b>

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

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

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

Class of Shares / Name of the Share holder	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	No of shares held	% of holding in shares	No of shares held	% of holding in shares	No of shares held	% of holding in shares
<b>Fully paid up equity shares</b>						
1. Raman T G G	14,84,056	10.4%	14,84,056	10.4%	14,84,056	10.4%
2. Sundaram Mutual Fund A/c Sundaram Smile Fund	-	-	7,54,113	5.3%	8,00,308	5.6%

17.3 There is no change in the number of shares at the beginning of the year and end of the year.

### 18. Other Equity

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
a. General Reserve	36,098	29,570	29,570
b. Retained Earnings	37,092	32,534	19,812
c. Capital Redemption Reserve	1,319	803	803
d. Capital Reserve	69	69	69
e. Securities Premium Reserve	2,447	4,763	4,763
f. Hedge Reserve account	36	5	(16)
g. Amalgamation Adjustment account	(11)	(10)	(10)
h. Foreign Currency translation reserve	(150)	100	6
i. Capital Reserve on Consolidation	2,069	2,069	2,069
	<b>78,969</b>	<b>69,903</b>	<b>57,066</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### a. General Reserve

	₹ Lakhs	
Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	29,570	29,570
Additions during the year	6,001	-
Additions due to increase in shareholdings in RML	527	-
Deductions / Adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>36,098</b>	<b>29,570</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.

#### b. Retained Earnings

	₹ Lakhs	
Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	32,534	19,812
<b>Additions during the year</b>		
1. Profit/(Loss) for the year	13,029	13,337
2. Other Comprehensive Income	(153)	31
3. Effect on acquisition of business combination	80	-
4. Addition due to increase in shareholdings in RML	39	-
<b>Deductions during the year</b>		
1. Payment of dividend on equity shares	1,516	500
2. Corporate tax on dividend	423	146
3. Capital Redemption Reserve	497	-
4. Transfer to General Reserve	6,001	-
<b>Balance at the end of the year</b>	<b>37,092</b>	<b>32,534</b>

On 26 February, 2018, an interim dividend of ₹ 5.50 per share (total dividend ₹ 785.28 Lakhs) was paid to the holders of fully paid equity shares.

In respect of the year ended 31 March, 2018, the directors propose that a dividend of ₹ 9 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 1,285 Lakhs.

#### c. Capital Redemption Reserve

	₹ Lakhs	
Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	803	803
Additions during the year	497	-
Addition due to increase in shareholdings in RML	19	-
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>1,319</b>	<b>803</b>

Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares by RML.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The capital redemption reserve represents amount transferred from retained earnings in accordance with Section 55(2)(c) of the Companies Act, 2013 on redemption of preference shares.

### d. Capital Reserve

₹ Lakhs

Particulars	As at	
	31 March, 2018	31 March, 2017
Balance at the beginning of the year	69	69
Additions during the year	-	-
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>69</b>	<b>69</b>

### e. Securities Premium Reserve

₹ Lakhs

Particulars	As at	
	31 March, 2018	31 March, 2017
Balance at the beginning of the year	4,763	4,763
Additions during the year	-	-
Addition due to increase in shareholdings in RML	(2,316)	-
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>2,447</b>	<b>4,763</b>

Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

Additions during the year represents Premium on fresh issue of equity shares by RML on Preferential allotment to RHL.

### f. Hedge Reserve

₹ Lakhs

Particulars	As at	
	31 March, 2018	31 March, 2017
Balance at the beginning of the year	5	(16)
Additions during the year	31	21
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>36</b>	<b>5</b>

RML a subsidiary company, has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.

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

### g. Amalgamation Adjustment Account

₹ Lakhs

Particulars	As at	
	31 March, 2018	31 March, 2017
Balance at the beginning of the year	(10)	(10)
Additions during the year	-	-
Addition due to increase in shareholdings in RML	(1)	-
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>(11)</b>	<b>(10)</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes the amalgamation adjustment reserve of transferee Company.

### h. Foreign Currency Translation Reserve

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	100	6
Additions during the year	(257)	94
Addition due to increase in shareholdings in RML	7	-
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>(150)</b>	<b>100</b>

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit or loss when the net investment is disposed-off.

### i. Capital Reserve on Consolidation

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	2,069	2,069
Additions during the year	-	-
Deductions /adjustments during the year	-	-
<b>Balance at the end of the year</b>	<b>2,069</b>	<b>2,069</b>

## 19. Non-controlling interests

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of the year	23,690	19,081
<b>Additions during the year</b>		
1. Profit/(Loss) for the year	1,823	4,895
2. Other Comprehensive Income	(185)	132
3. Effect on acquisition on business combination	41	-
4. Other consolidation adjustments	1,725	-
<b>Deductions during the year</b>		
1. Payment of dividend on equity shares	1,118	348
2. Corporate tax on dividend	225	70
	<b>25,751</b>	<b>23,690</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 20. Borrowings

₹ Lakhs

Particulars	Non - Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>a. Secured</b> <b>(Refer note 20.1.a, 20.2, 20.3, 20.6.a, 20.7.a, 20.8)</b>						
Term loan from banks	20,503	18,609	20,547	186	-	3,422
Loan repayable on demand - from Bank	-	-	-	6,631	5,210	7,531
Other loans from banks	-	-	-	13,428	11,448	6,382
Term Loans from related parties	-	-	56	-	-	-
	<b>20,503</b>	<b>18,609</b>	<b>20,603</b>	<b>20,245</b>	<b>16,658</b>	<b>17,335</b>
<b>b. Unsecured</b> <b>(Refer note 20.1.b, 20.4, 20.6.b, 20.7.b)</b>						
Term Loans from related parties	-	-	10	-	-	-
Commercial paper	-	-	-	4,000	4,000	4,000
Other loans from banks	-	-	-	200	1,543	600
Fixed Deposits	-	-	1	-	-	-
Interest free loan from A.P. Government under Sales Tax Deferral Scheme	17	52	623	8	8	8
Unamortised Borrowing cost	(13)	(17)	(25)	(68)	(68)	(70)
Bill Discounting	-	-	-	653	352	594
	<b>4</b>	<b>35</b>	<b>609</b>	<b>4,793</b>	<b>5,835</b>	<b>5,132</b>
	<b>20,507</b>	<b>18,644</b>	<b>21,212</b>	<b>25,038</b>	<b>22,493</b>	<b>22,467</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 20.1 In respect of RML :

#### Summary of borrowing arrangements

Secured loans include loan from banks, related parties and ECB. The Secured Loans outstanding as at 31 March 2018 are secured by a charge created on the RML's immovable properties (excluding Velachery and Mysore properties) both present and future.

Secured loans include cash credit, packing credit and working capital demand loan from banks and are secured on a pari passu basis by a first charge by way of hypothecation of inventories and book debts.

#### The terms of repayment of term loans are given below

##### a. Secured

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from January 2018 with 2 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from January 2018 with 2 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from January 2018 with 2 Years of moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from April 2019 with 3 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from April 2019 with 3 Years of moratorium period	-
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from October 2018 with 2 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from October 2018 with 2 Years of moratorium period	-
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from March 2019 with 2 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from March 2019 with 2 Years of moratorium period	-
Kotak Mahindra Bank Ltd - INR Long Term Loan	-	Repayable in 16 equal quarterly Installments commencing from November 2015 with 1 Year of moratorium period	Repayable in 16 equal quarterly Installments commencing from November 2015 with 1 Year of moratorium period
Canara Bank Ltd - INR Long Term Loan	-	Repayable in 20 equal quarterly Installments commencing from May 2016 with 1.5 Years of moratorium period	Repayable in 20 equal quarterly Installments commencing from May 2016 with 1.5 Years of moratorium period
ING Vysya Bank - INR Long Term Loan	-	Repayable in 13 equal Quarterly Installments commencing from September 2014 with 6 months of moratorium period	Repayable in 13 equal quarterly Installments commencing from September 2014 with 6 months of moratorium period

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Yes Bank Ltd - INR Long Term Loan	-	Repayable in 17 equal quarterly installments commencing from August 2013 with 9 months moratorium period	Repayable in 17 equal quarterly installments commencing from August 2013 with 9 months moratorium period
EXIM Bank - USD Long Term Loan	-	Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January 2016	Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January 2016
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from June 2019 with 3 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from June 2019 with 3 Years of moratorium period	Repayable in 12 equal quarterly Installments commencing from June 2019 with 3 Years of moratorium period
SCB - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from December 2019 with 30 months of moratorium period	-	-
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Installments commencing from September 2019 with 23 months of moratorium period	-	-
EXIM Bank	Foreign Currency Term Loan is repayable in 12 equal quarterly Installments commencing from August 2018 with 2 Years of moratorium period	Foreign Currency Term Loan is repayable in 12 equal quarterly Installments commencing from August 2018 with 2 Years of moratorium period	-
EXIM Bank	Foreign Currency Term Loan is repayable in 12 equal quarterly Installments commencing from February 2019 with 2 Years of moratorium period	Foreign Currency Term Loan is repayable in 12 equal quarterly Installments commencing from February 2019 with 2 Years of moratorium period	-
SCB - ECB loan	-	-	Repayable in 16 equal quarterly installments commencing from December 2012
HDFC Bank - INR Long Term Loan	-	-	Repayable in 8 equal quarterly Installments commencing from December 2014 with 1 Year of moratorium period

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
The Private Bank and Trust Company	-	-	Represents the loan of Rane Precision Diecasting Inc. acquired on 17 February, 2016

#### b. Unsecured

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	-	Repayable in 16 equal installments commencing from September 2013	Repayable in 16 equal installments commencing from September 2013
Rane Holdings Limited-Preference Shares	-	Cumulative Redeemable before 20 years at the option of the Shareholders	Cumulative Redeemable before 20 years at the option of the Shareholders
Fixed Deposits	-	-	Fixed Deposits are accepted for 2 or 3 years on cumulative/non cumulative basis

#### In respect of REVL :

**20.2** Term loans amounting to ₹ 4,633 lakhs 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.

Details of the long term borrowings	Repayment Start Date	Interest Rate	Installment Amount	No. of Quarterly Installments as per agreement
Rupee Term Loans				
Kotak Mahindra Bank Ltd	Jan-2016	8.95%	156	16
HDFC Bank Ltd				
Loan 1	Oct-2016	9.40%	63	16
Loan 2	Nov-2016	9.40%	113	16
Loan 3	Aug-2019	8.75%	150	12

#### 20.3

- i) Short term borrowings amounting to ₹ 1,230 Lakhs (₹ 711 Lakhs) from State Bank of India are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company's Tumkur Unit and also secured by first charge on land and buildings and plant and machineries of the company's Peenya Unit and Tumkur Unit.
- ii) Other Short term borrowings amounting to ₹ 4,915 Lakhs (₹ 3,153 Lakhs) from banks are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company on Pari-passu basis (other than Property situated at Peenya Unit and Tumkur Unit).
- iii) None of the above loans have been guaranteed by any Directors or others.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**20.4** Interest free sales tax loan represents liability arising out of deferment of sales tax for a period of 14 years from 1996 to 2010. The company should continue to be in operation and there should not be any change in location or management of the company until the loan is fully repaid.

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

**20.6 In respect of RBL :**

Working capital loans, Buyers credit and PCFC from banks are secured on pari-passu basis by way of hypothecation of all inventories, book debts and other current assets of the Company.

<b>a. Secured</b>	<b>Terms of repayment</b>
The term loans from banks primarily comprise of ₹ Nil as on 31 March, 2017 (₹ 460 Lakhs as on 01 April, 2016) secured by pari-passu charge on Company's immovable properties both present and future and also secured by hypothecation of company's movable properties both present and future. The outstanding amount of loans carry interest rate of 7.25% p.a and are repayable over the next 16 Installments from January 2013.	Repayable in 16 equal installments from 20 January, 2013
<b>b. Unsecured</b>	
Deferred sales tax loan - Government of Andhra Pradesh, commissionerate of industries issued to the Company eligibility certificate no 20/2/1551 dated 27 January 1999 for deferral of sales tax beyond 01 July, 1998 to 30 June, 2012 which would be treated as interest free loan. The sales tax deferred for the period from 01 January, 1999 to 31 March, 2012 aggregating ₹ Nil (01 April, 2016: ₹ 496 Lakhs) has been classified as unsecured loan.	The sales tax deferral loan is settled during the year at a discounted value as per the scheme introduced by Government of Telangana vide G.O. Ms.No.178. (Revenue Commercial Taxes-II) dated 30 June, 2016
Deferred Sales Tax Loan - Government of Andhra Pradesh, Commissionerate of Industries issued to the Company Eligibility Certificate No. 20/2/8/1551 dated 27 January, 1999 for deferral of sales tax beyond the base sales turnover of ₹ 2,100 Lakhs for a period of 14 years i.e. from 01 July, 1998 to 30 July, 2012 which would be treated as interest free loan. The Sales tax deferred for the period from 01 January, 1999 to 31 March, 2012 aggregating ₹ 496 Lakhs (31 March, 2015 : ₹ 530 Lakhs) has been classified as Unsecured Loan under Long Term Borrowings and current maturities classified under Note 11 Other Current Liabilities.	Deferred sales tax loan is repayable in monthly installments for 14 years beginning from July 2012.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 20.7 In respect of Rane t4u :

Indian rupee loan from Banks / Financial institutions

Particulars	Interest rate	Terms of repayment
<b>a. Secured</b>		
<b>Term loan from Vijaya Bank</b> Secured by hypothecation of furniture and fixtures, air conditioners, electrical fittings and hardwares/ softwares.	14.05% p.a. floating	Loan availed ₹ 135 Lakhs is repayable in 72 equated monthly installments of ₹ 2.78 Lakhs each commenced from April 2015. Interest is payable on monthly basis commenced from 05 March, 2015.
<b>Term loan from Corporation Bank</b> Secured by hypothecation of assets i.e. servers and accessories purchased out of this term loan also secured against Credit Guarantee Fund Trust for Micro and Small Enterprises (CGMTSE).	10.95 % p.a. Floating	Loan availed ₹ 24.50 Lakhs is repayable in 36 equated monthly installments of ₹ 0.80 Lakhs each commenced from October 2016. Interest is payable on monthly basis commenced from 28 September, 2016.
<b>Term Loan from Tata Capital Financial Services Private Limited</b> Secured by way of comfort letter from M/s. Rane Holdings Limited (Holding Company).	10.25% p.a. Floating	Loan availed ₹ 500 Lakhs is repayable in 33 equated monthly installments of ₹ 15.15 Lakhs each commencing from Feb-2018. Interest is payable on monthly basis commencing from 31 October, 2017.
<b>Working Capital facilities (fund based) from HDFC Bank Limited</b> Secured by way of exclusive charge on the current assets of the Company and comfort letter from M/s. Rane Holdings Limited (Holding Company).	10.00% p.a. Floating	Loan availed ₹ 200 Lakhs is valid till 30 October, 2018. The facilities are payable on demand.
<b>b. Unsecured</b>		
<b>Term loan from Religare Finvest Limited</b>	18.17% p.a. Fixed	Loan availed ₹ 51 Lakhs is repayable in 36 equated monthly installments of ₹ 2.37 Lakhs each commenced from 01 August, 2015 till 01 July, 2016, ₹ 2.10 Lakhs each commenced from 01 August, 2016 till 01 July, 2017 and ₹ 0.79 Lakhs each commenced from 01 August, 2017 till 01 July, 2018. Interest is payable on monthly basis commenced from 30 June, 2015.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 20.8 In respect of RHL :

Loan (Secured)	Terms of repayment
1. Term loan-1 availed from Tata Capital Financial Services Limited [TCFSL] on 04 July 2015. Charge by way of mortgage on the company's land at Chittaranjan Road, Chennai	The loan is availed at a rate of interest of 10.85% (7.1% below the long term lending rate) till 31 January, 2017, 10.55% from 01 February, 2017 and 10.30% from 13 November, 2017.  Repayment in sixteen quarterly installments of ₹ 168.75 lakhs each from 31 July, 2016.
2. Term loan-2 availed from Tata Capital Financial Services Limited [TCFSL] on 06 September 2017. Charge by way of mortgage on the company's land at Chittaranjan Road, Chennai	The loan is availed at a rate of interest of 9.75% (8.5% below the long term lending rate).  Repayment in sixteen quarterly installments of ₹ 125 lakhs each from 31 October, 2018.

The company is having working capital credit facility of ₹ 500 Lakhs with Citi Bank, N.A by hypothecating current assets and moveable fixed assets. There is no outstanding balance as on 31 March, 2018, 31 March, 2017 and 01 April, 2016.

### 21. Other financial liabilities

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Current maturities of term loans from banks	-	-	-	4,553	4,753	9,584
Interest accrued but not due on borrowings	-	-	-	176	237	317
Derivative liabilities	-	-	-	4	1	57
Deposits with C & F agents	5	4	4	-	-	-
Security deposits	-	-	-	36	34	30
Unclaimed dividend	-	-	-	104	102	94
Unclaimed Matured Fixed Deposits	-	-	-	-	-	3
Fixed Deposit interest paid but not encashed	-	-	-	-	-	1
Employee Related	-	-	-	1,554	1,475	1,968
Payables on purchase of fixed assets	-	-	-	290	961	275
Commission payable to Chairman	-	-	-	124	51	45
Termination benefit under VRS	-	15	14	1	-	15
Tax on preference dividend	-	-	-	-	11	11
Others	-	74	68	113	170	194
	<b>5</b>	<b>93</b>	<b>86</b>	<b>6,955</b>	<b>7,795</b>	<b>12,594</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 22. Provisions

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Gratuity	504	164	151	107	346	411
Compensated absences	1,468	1,343	1,227	443	394	375
Other employee benefits	-	-	-	529	-	-
Product warranty (Refer note 41)	-	-	-	606	716	567
Others	-	-	-	44	-	-
	<b>1,972</b>	<b>1,507</b>	<b>1,378</b>	<b>1,729</b>	<b>1,456</b>	<b>1,353</b>

#### Notes

##### Provision for Compensated absences

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued and compensation claims made by employees.

##### Provision for Warranty

The provision for warranty claims represents the best estimate made on the basis of historical warranty trends.

##### In respect of RBL:

Provision for warranty and other probable tax demands are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date

### 23. Other liabilities

₹ Lakhs

Particulars	Non Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Revenue received in advance (Refer note 23.1 & 23.2)	366	557	410	217	219	153
Long-term capital lease obligations	127	270	456	144	176	287
Advances and Deposits from Customers	-	-	-	212	157	167
Payable for capital purchases	-	-	-	111	386	98
Statutory dues	-	-	-	3,823	1,560	1,621
Unearned revenue	-	-	-	84	-	-
Provision for Gratuity	-	-	-	655	556	450
Provision for Pension plan	-	-	-	1,347	1,331	1,624
Others	-	-	-	8	40	32
	<b>493</b>	<b>827</b>	<b>866</b>	<b>6,601</b>	<b>4,425</b>	<b>4,432</b>

Note:

**23.1** In respect to RML, the deferred revenue comprise of the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in property, plant and equipment.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**23.2** In respect to RBL, the deferred revenue arises as a result of the benefit received from EPCG on account of purchase of capital goods. The revenue was offset against the depreciation costs incurred in 2017-18 ₹ 22 Lakhs (2016-17 ₹ 2 Lakhs)

### 24. Current tax liabilities

₹ Lakhs

Particulars	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
Provision for Tax ( Net of Advance Tax & TDS)	189	1	2
	<b>189</b>	<b>1</b>	<b>2</b>

### 25. Trade Payables

₹ Lakhs

Particulars	Current		
	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
Dues to micro and small enterprises	2,216	1,793	1,388
Others	39,103	30,170	24,327
	<b>41,319</b>	<b>31,963</b>	<b>25,715</b>

Dues to Micro Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group. This has been relied upon by the auditors.

The Group has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:

₹ Lakhs

Particulars	As at	As at	As at
	31 March, 2018	31 March, 2017	01 April, 2016
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:			
- Principal	2,216	1,791	1,374
- Interest	-	2	14
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:			
- Principal	2,384	1,761	803
- Interest	24	16	11
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:			
- Principal	14	1,351	1,504
- Interest	1	10	16
The amount of interest accrued and remaining unpaid at the end of the year (Previous year ₹ Nil Lakhs) being interest outstanding as at the beginning of the accounting year)	-	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	4	2
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	11	15

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 26 Revenue from Operations

		₹ Lakhs	
Note No	Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
a	Sale of products	2,24,074	2,15,475
b	Other Operating Revenue		
	Scrap Sales	2,116	1,791
	Sale of materials	661	340
	Sale of Tools	1,418	1,188
	Service fees	1,876	1,146
	Trade mark fees	2,397	1,853
	Export Incentives	1,456	1,398
		<b>9,924</b>	<b>7,716</b>
		<b>2,33,998</b>	<b>2,23,191</b>

#### 27. Other Income

		₹ Lakhs	
Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017	
Interest Income			
- from bank deposits	129	166	
- on supplier payments	12	11	
Dividend Income			
- from mutual funds	135	147	
Net foreign exchange gain	588	-	
Provision no longer required written back	353	144	
Gain on Sale of Property, plant and equipment	31	3	
Gain on Sale of Investment	-	2,256	
Government Grant Income	166	120	
Other Non-Operating Income	293	1,345	
	<b>1,707</b>	<b>4,192</b>	

#### 28 Cost of raw materials consumed

		₹ Lakhs	
Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017	
Opening Stock of Raw Material	5,184	4,747	
Add: Purchase of materials (Includes Sub/Job-Contracts)	1,20,987	1,02,274	
Less: Closing Stock of Raw Material	6,606	5,184	
	<b>1,19,565</b>	<b>1,01,837</b>	

#### 29 Purchase of Stock-in-trade

		₹ Lakhs	
Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017	
Purchase of Stock-in-trade	1,090	860	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 30 Changes in inventories of Finished Goods, Work-In- Progress and Stock-in-Trade

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>Inventories at the end of the year:</b>		
Finished goods	10,756	9,613
Work-in-Progress	3,614	2,736
Stock-In-Trade	203	147
	<b>14,573</b>	<b>12,496</b>
<b>Inventories at the beginning of the year:</b>		
Finished goods	9,613	8,180
Work-in-Progress	2,736	2,683
Stock-In-Trade (Refer note 30.1)	184	178
	<b>12,533</b>	<b>11,041</b>
<b>Net (increase)/decrease</b>		
Finished goods	(1,143)	(1,433)
Work-in-Progress	(878)	(53)
Stock-In-Trade	(19)	31
	<b>(2,040)</b>	<b>(1,455)</b>

30.1 Includes ₹ 37 lakhs relating to Rane t4u Private Limited which was acquired during the year.

### 31 Employee Benefit Expenses

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Salaries and wages	33,106	30,797
Contribution to provident and other funds	3,953	3,545
Staff welfare expenses	3,454	3,411
	<b>40,513</b>	<b>37,753</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 32 Finance Cost

₹ Lakhs

Particulars	Year Ended 31 March 2018	Year Ended 31 March 2017
<b>Interest expense</b>		
- From Loans	3,749	3,750
- From Fixed Deposits	-	7
- From Related party loans	1	20
- From redeemable preference shares	37	11
Finance costs on liabilities carried at amortized cost	10	4
Discount on Commercial paper	283	306
Other interest expenses	3	55
Other borrowing costs	295	108
Applicable net loss on foreign currency transactions and translation including borrowing cost	48	50
	<b>4,426</b>	<b>4,311</b>

#### 33 Depreciation and Amortisation Expense

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Depreciation of property, plant and equipment	11,424	10,500
Amortisation of intangible assets	351	84
	<b>11,775</b>	<b>10,584</b>

#### 34 Other Expenses

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Consumption of stores and spares	9,904	8,976
Power & fuel (Refer Note No. 34.1)	8,793	8,581
Rent	569	513
Rates & taxes	1,310	429
Insurance	830	717
<b>Repairs and maintenance</b>		
- Building	515	542
- Plant & Equipment	3,608	3,329
- Other assets	1,736	1,455
Increase / (Decrease) of excise duty on inventory	(695)	32
Donation	316	153
General Manufacturing, Selling and Admin Expenses	198	183
Packing, Forwarding & Dispatching	6,526	5,409
Commission on sales	153	221
Directors' Sitting Fees	66	50
Chairman's Commission	286	155
Audit fee (Refer Note No. 34.2)	124	114
Advertisement and Sales Promotion	1,013	855

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Loss on sale of assets	-	155
Net Foreign exchange loss (net off gain)	-	514
Freight & Cartage Outward	2,741	3,493
Travel Expenses	2,252	2,150
Postage & Telecom Expenses	4	5
Printing & Stationery	60	64
Professional Charges	2,449	2,124
Information Systems expenses	855	678
Warranty and Other claims	105	116
Assets Written Off	74	161
Leasehold Land Amortisation	29	29
Bank charges	71	54
Royalty and technical fees	687	582
Trade mark fees	13	59
Provision for bad & doubtful debts	66	317
Bad Debts/Advances written off	6	-
Miscellaneous expenses	1,543	1,689
	<b>46,207</b>	<b>43,904</b>

**34.1** Includes ₹ 485 lakhs (previous year ₹ 406 lakhs), paid towards certain operating lease arrangement with third party vendors.

### 34.2 Remuneration to Auditors consist of:

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
As Auditors	87	91
Taxation Matters	12	6
Company Law Matters	6	-
Other Services	14	12
Reimbursement of expenses	5	5
	<b>124</b>	<b>114</b>

### 34.3 Corporate Social responsibility

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Expenditure incurred for Corporate social responsibility	353	169
Amount required to be spent u/s 135 of the Companies Act, 2013	187	168
CSR expenditure Included under Donation, Professional Charges, Printing & Stationery and Miscellaneous expenses		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 34.4 R&D Expenditure:

	₹ Lakhs	
Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Capital Expenditure	308	1,580
Revenue Expenses	2,054	1,722
	<b>2,362</b>	<b>3,302</b>

#### 35. Income Taxes

	₹ Lakhs	
Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>A. The major components of income tax expense for the year are as under :</b>		
<b>Income tax recognised in the Statement of profit and loss</b>		
<b>Current tax:</b>		
In respect of current year	10,040	6,750
Provision for tax relating to earlier years	(3)	24
<b>Deferred tax:</b>		
In respect of current year	(1,349)	1,264
Minimum Alternate Tax (MAT)	-	(146)
<b>Income tax expense recognised in the Statement of Profit and Loss</b>	<b>8,688</b>	<b>7,892</b>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit/(Loss) before tax</b>	<b>23,540</b>	<b>26,124</b>
Income Tax expense calculated at 34.608%	8,147	9,041
Effect of Tax paid under MAT	28	(446)
Effect of income tax on Capital Gains	658	(1,181)
Donation exempt under 80G	36	19
Effect of expenses that are added in determining taxable profit	256	149
Effect of Income that are not taxable in determining taxable profit	(62)	(93)
Effect of other deductible temporary difference	(204)	(185)
Effect of concessions (research and development related to Capital and Revenue)	(505)	(530)
Interest expense related to MSME enterprises	4	4
Impact of interest cost or profit / loss on sale of investment and fixed assets	(544)	2
Income on sale of fixed assets	-	9
Tax impact of unit situated in notified state as per Section 80IC	(48)	(68)
Loss of foreign subsidiary	743	737
Impact due to change in effective tax rate	9	-
Provision for tax relating to earlier years	(3)	24
Additional provision for unfavourable tax demands	135	-
Deferred tax impact on fair valuation arising out of business combination	(56)	-
Disinvestment of shares in Associate	-	130
Deferred tax impact on undistributed profit	85	265
Others	9	15
<b>Income Tax expense/(gain) recognised in profit or loss</b>	<b>8,688</b>	<b>7,892</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 35.1 Income tax recognised in other comprehensive income

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	15	78
Equity investment through other comprehensive income	(3)	-
Impact of cash flow hedges	(27)	(20)
<b>Total income tax recognised in other comprehensive income</b>	<b>(15)</b>	<b>58</b>

### 36. Employee Benefit Plans

#### A. Defined contribution plans

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

##### (a) Provident fund and pension

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

##### (b) Superannuation fund

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

The Group contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The group does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 1,584 Lakhs (for the year ended 31 March, 2017: ₹ 1,500 Lakhs) represents contributions payable to these plans by the group at rates specified in the rules of the plans.

#### B. Defined benefit plans :

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

##### a. Gratuity

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



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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

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

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

Particulars	₹ Lakhs	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Opening defined benefit obligation *	4,739	4,505
Current Service Cost	476	310
Interest cost	335	329
Remeasurement (gains) / losses :		
Actuarial (gains) and losses arising from changes in demographic assumptions	84	87
Actuarial (gains) and losses arising from changes in financial assumptions	-	-
Actuarial (gains) and losses arising from experience adjustments	(98)	152
Past service cost, including losses / (gains) on curtailments	2	-
Benefits paid	(351)	(689)
<b>Closing defined benefit obligation</b>	<b>5,187</b>	<b>4,694</b>

\* Includes ₹ 45 lakhs relating to Rane t4u Private Limited which was acquired during the year.

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

Particulars	₹ Lakhs	
	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Opening fair value of plan assets	3,629	3,492
Interest income	187	188
<b>Remeasurement gain/(loss) :</b>		
Return on plan assets (excluding amounts included in net interest expense)	45	102
Contributions from the Employer	408	536
Benefits paid	(349)	(689)
<b>Closing fair value of plan assets</b>	<b>3,920</b>	<b>3,629</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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

Particulars	₹ Lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Present value of funded defined benefit obligation	5,187	4,694	4,504
Fair value of plan assets	3,920	3,629	3,492
<b>Funded status</b>	<b>1,267</b>	<b>1,065</b>	<b>1,012</b>
Restrictions on asset recognised	-	-	-
Others (describe)	-	-	-
<b>Net liability arising from defined benefit obligation</b>	<b>1,267</b>	<b>1,065</b>	<b>1,012</b>

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

Particulars	₹ Lakhs	
	As at 31 March, 2018	As at 31 March, 2017
Service Cost :		
Current Service cost	476	310
Past service cost and (gain) / loss from settlements	2	-
Net interest Expense	66	60
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>544</b>	<b>370</b>
<b>Remeasurement on the net defined benefit liability :</b>		
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	99	113
Actuarial (gains) / losses arising from changes in financial assumptions	11	1
Actuarial (gains) / losses arising from experience adjustments	(88)	(68)
Components of defined benefit costs recognised in other comprehensive income	22	46
<b>Total</b>	<b>566</b>	<b>416</b>

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

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

- (v) **Risk Exposure**

The Group has invested the plan assets with the insurer managed funds. The 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, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Group's policy for plan asset management and other relevant factors.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

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

Particulars	Valuation as at	
	31 March, 2018	31 March, 2017
Discount Rate(s)	7.50% to 7.72%	7.20% to 7.40%
Expected Rate(s) of salary increase		
Executives and Staff	4.50% to 8.00%	4.50% to 8.00%
Operators	4.50% to 8.00%	4.50% to 8.00%
<b>Expected rate of return on plan assets</b>	<b>7.50% to 7.72%</b>	<b>7.20% to 7.40%</b>
Attrition Rate		
Executives and Staff	2.00% to 8.00%	2.00% to 8.00%
Operators	1.00% to 5.00%	1.00% to 3.00%

#### Sensitivity Analysis

₹ Lakhs

Particulars	31 March, 2018	31 March, 2017	01 April, 2016
A. Discount Rate + 50 BP	8.00% to 8.22%	7.70% to 7.90%	7.70% to 7.90%
Defined Benefit Obligation [PVO]	3,181	2,956	2,900
Current Service Cost	224	233	206
B. Discount Rate - 50 BP	7.00% to 7.22%	6.70% to 6.90%	6.70% to 6.90%
Defined Benefit Obligation [PVO]	3,497	3,349	3,187
Current Service Cost	274	279	248
C. Salary Escalation Rate +50 BP	5.00% & 8.50%	5.00% & 8.50%	5.00% & 8.50%
Defined Benefit Obligation [PVO]	3,504	3,352	3,189
Current Service Cost	274	279	248
D. Salary Escalation Rate -50 BP	4.00% & 7.50%	4.00% & 7.50%	4.00% & 7.50%
Defined Benefit Obligation [PVO]	3,175	2,951	2,901
Current Service Cost	224	233	207

(vi) b. In respect of subsidiary Rane t4u Private Limited, the principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	Valuation as at 31 March, 2018
Discount Rate	7.00%
<b>Expected rate of salary increases</b>	
Executives Managers & Below / Senior Manager & Above	5.00%
<b>Expected rate of attrition</b>	
Executives and Staff	45.00%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Sensitivity Analysis (In respect of subsidiary Rane t4u Private Limited)

Particulars	₹ Lakhs	
	31 March, 2018	
<b>Salary growth rate</b>		
-1% increase(+100BP)		51
-1% decrease(+100BP)		50
<b>Discount rate</b>		
-1% increase(+100BP)		51
-1% decrease(+100BP)		51

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

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

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

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

### Defined benefit liability and employer contributions

The weighted average duration of the defined obligation (range) is 5.25 to 12.30 years (2017 - 5.60 to 12.80 years, 2016- 4.90 years to 13.70 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	₹ Lakhs		
	31 March, 2018	31 March, 2017	01 April, 2016
Year 1	415	373	568
Year 2	609	624	302
Year 3	291	314	299
Year 4	305	267	304
Year 5	368	307	300
Next 5 Years	2,000	1,980	1,441

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### b. Compensated absences

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

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

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 01 April, 2016
Actuarial assumptions for long-term compensated absences			
Discount rate	7.00% to 7.72%	7.20% to 7.40%	7.00% to 8.00%
<b>Salary escalation</b>			
Executives & Staff	4.50% to 8.00%	4.50% to 8.00%	4.50% to 8.00%
Operators	4.50% to 8.00%	4.50% to 8.00%	4.50% to 8.00%
<b>Attrition</b>			
Executives & Staff	2.00% to 45.00%	2.00% to 8.00%	2.00% to 8.00%
Operators	1.00% to 5.00%	1.00% to 3.00%	1.00% to 3.00%

In respect of a US subsidiary of Rane (Madras) Limited (Rane Precision Diecasting Inc. (RPDC))

#### A. Defined contribution plans

RPDC had a 401k plan set up for its employees. The contributions payable to these plans by RPDC are at rates specified in the rules of the schemes.

#### B. Defined benefit plans :

Pension -

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December, 2003 to 10 October, 2005; plus
- \$24:00 multiplied by years of benefit service from October, 2005 to 09 October, 2006; plus
- \$25:00 multiplied by years of benefit service from 09 October, 2006, to 08 October, 2007; plus
- \$26:00 multiplied by years of benefit service from 05 October, 2007 to 16 December, 2010; plus
- \$16:00 multiplied by benefit service after 16 December, 2010.

#### Disability benefit:

The benefit will be payable in the form of a lifetime pension until the earliest of: recovery, death or normal retirement date.

#### Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year. The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor.

**RPDC is exposed to various risks in providing the above pension benefit which are as follows:**

**Interest Rate risk :** The plan exposes the RPDC to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** RPDC has used certain mortality and attrition assumptions in valuation of the liability. RPDC is exposed to the risk of actual experience turning out to be worse compared to the assumption.

₹ Lakhs

Particulars	Pension (Funded)	
	31 March, 2018	31 March, 2017
Present Value of obligations at the beginning of the year	3,433	3,623
Current service cost	68	88
Interest Cost	138	141
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	11	(142)
- Actuarial gains and losses arising from financial assumptions	54	(113)
Benefits paid	(93)	(85)
Foreign currency translation adjustment	23	(79)
<b>Present Value of obligations at the end of the year</b>	<b>3,634</b>	<b>3,433</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of year</b>	<b>2,103</b>	<b>1,999</b>
Interest Income	85	78
Expected Return on plan assets	-	-
Contributions from the employer	218	153
Benefits Paid	(93)	(85)
Return on Plan Assets, Excluding Interest Income	(38)	8
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	14	(50)
<b>Fair Value of plan assets at the end of the year</b>	<b>2,289</b>	<b>2,103</b>
<b>Amounts recognized in the Balance Sheet</b>	<b>(1,345)</b>	<b>(1,330)</b>
Projected benefit obligation at the end of the year	(3,635)	(3,434)
Fair value of plan assets at end of the year	2,289	2,103
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>(1,346)</b>	<b>(1,331)</b>
<b>Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	68	88
Net Interest Expense	54	63
Past service cost	-	-
<b>Net Cost in Profit or Loss</b>	<b>122</b>	<b>151</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Components of defined benefit cost recognised in Other Comprehensive income

₹ Lakhs

Particulars	Pension (Funded)	
	31 March, 2018	31 March, 2017
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	66	(255)
Return on plan assets	38	(8)
<b>Net Income / (Cost) in Other Comprehensive Income</b>	<b>104</b>	<b>(263)</b>

Assumptions	31 March, 2018	31 March, 2017	01 April, 2016
Expected Return on Plan Assets	3.91%	4.05%	3.85%
Discount rate	3.91%	4.05%	3.85%
Expected rate of salary increases			
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%	0.00%
Operators	0.00%	0.00%	0.00%
Expected rate of attrition			
Executives and Staff		3.00%	3.00%
Operators		1.00%	1.00%
Average age of members		38.30	
Average remaining working life		15.80	
Rate of Employee Turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table

RPDC has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

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

#### Sensitivity Analysis

₹ Lakhs

Particulars	As at	As at
	31 March, 2018	31 March, 2017
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>3,635</b>	<b>3,434</b>
Delta Effect of +0.5% Change in Rate of Discounting	(273)	(241)
Delta Effect of -0.5% Change in Rate of Discounting	278	249

Please note that the sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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

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

### 37. Related Party Disclosures

Description of relationship	2017-18	2016-17
<b>(a) List of related parties where control exists</b>		
Joint ventures	Rane TRW Steering Systems Private Limited (RTSS)	Rane TRW Steering Systems Private Limited (RTSS)
	Rane NSK Steering Systems Private Limited (RNSS)	Rane NSK Steering Systems Private Limited (RNSS)
	JMA Rane Marketing Limited (JMA Rane)	JMA Rane Marketing Limited (JMA Rane)
Associate	-	SasMos HET Technologies Limited (Ceased to be in association from 16 March 2017)
<b>(b) Other Related parties where transactions has taken place</b>		
Key Management Personnel	Mr. L Ganesh	Mr. L Lakshman
	Mr. Harish Lakshman	Mr. L Ganesh
Relative of KMP	Mr. L Lakshman	Mrs. Pushpa Lakshman
	Mrs. Pushpa Lakshman	Mr. Harish Lakshman
	Mr. Vinay Lakshman	Mr. Vinay Lakshman
	Mrs. Meenakshi Ganesh	Mrs. Meenakshi Ganesh
	Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Mrs. Aparna Ganesh	Mrs. Aparna Ganesh
	Mrs. Shanti Narayan	Mrs. Shanti Narayan
	Mrs. Hema C Kumar	Mrs. Hema C Kumar
Enterprises over which KMP or relatives of KMP can exercise significant influence	Mrs. Vanaja Aghoram	Mrs. Vanaja Aghoram
	Rane Foundation	Rane Foundation
	Savithur Enterprises Private Limited	Savithur Enterprises Private Limited
	HL Hill Station Properties Private Limited	HL Hill Station Properties Private Limited
	RT Automotive Systems Private Limited	RT Automotive Systems Private Limited



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

Description of relationship	2017-18	2016-17
<b>(c) Post employment benefit plans</b>	Rane Holdings Limited Gratuity Fund	Rane Holdings Limited Gratuity Fund
	Rane Holdings Limited Senior Executives Superannuation Fund	Rane Holdings Limited Senior Executives Superannuation Fund
	Rane Engine Valve Limited Employees Gratuity Fund	Rane Engine Valve Limited Employees Gratuity Fund
	Rane Engine Valve Limited Senior Executives Pension Fund	Rane Engine Valve Limited Senior Executives Pension Fund
	Rane Brake Lining Limited Employees Gratuity Fund	Rane Brake Lining Limited Employees Gratuity Fund
	Rane Brake Lining Limited Senior Executives Pension Fund	Rane Brake Lining Limited Senior Executives Pension Fund

#### Details of Related Party transactions :

Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	₹ Lakhs											
Transaction during the year												
<b>Fee for Services rendered</b>												
RTSS			649	581								
RNSS			595	498								
<b>Trademark Fee</b>												
RTSS			1103	834								
RNSS			1294	1000								
<b>Sales</b>												
Rane (Madras) Limited (RML) to RTSS			2480	2461								
RML to JMA Rane			1031	1175								
Rane Engine Value Limited (REVL) to JMA Rane			146	184								
<b>Purchases</b>												
RML from RTSS			10	17								
RML from RNSS			912	705								
<b>Interest payment</b>												
RML to RTSS			1	19								
<b>Loan Repayment</b>												
RML to RTSS			66	-								

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
<b>Donation to Rane Foundation</b>												
Rane Holdings Limited (RHL)									110	50		
RML									87	39		
Rane Brake Lining Limited (RBL)									103	40		
<b>Advisory Fee</b>												
L Lakshman - RHL							100	-				
<b>Salary and Other Perquisites</b>												
L Ganesh - RHL					137	116						
Harish Lakshman - RTSS					119	97						
Aditya Ganesh - RML							20	-				
Vinay Lakshman - RBL							200	107				
L Lakshman - RHL							-	113				
<b>Commission</b>												
L Ganesh - RHL					62	-						
L Lakshman - RHL							100	104				
L Ganesh - RBL					111	85						
L Ganesh - RML					124	51						
<b>Rent Deposit</b>												
L Lakshman - RBL							12	12				
Fixed Deposit												
Interest on Fixed Deposit							-	3				
Fixed Deposit					-	5	-	45				
<b>Other Reimbursements</b>												
RTSS			23	1								
<b>Sitting Fees</b>												
Lakshman							12	2				
L Ganesh					9	7						
Harish Lakshman					8	5						
<b>Post Employment Benefit Plan</b>												
Rane Holdings Limited Gratuity Fund											46	19
Rane Holdings Limited Senior Executives Superannuation Fund											20	26
Rane Engine Valve Limited Employees Gratuity Fund											78	201
Rane Engine Valve Limited Senior Executives Pension Fund											29	34
Rane Brake Lining Limited Employees Gratuity Fund											136	195
Rane Brake Lining Limited Senior Executives Pension Fund											25	26

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

Details of Related Party balances :

Description	Subsidiaries			Joint ventures			Key Management Personnel			Relative of KMP			Enterprises over which KMP or relatives of KMP can exercise significant influence			Post employment benefit plans		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
₹ Lakhs																		
<b>Payables</b>																		
RML to RTSS				10	1	-												
RML to RNSS				140	54	119												
<b>Commission</b>																		
L Ganesh - RML							124	51	45									
L Ganesh - RHL							62	-	-									
L Lakshman -RHL										-	104	93						
Fixed Deposit							-	-	5	-	-	54						
<b>Service fee and trademark fee</b>																		
RTSS				49	24	16												
RNSS				18	14	1												
<b>Salary and Other Perquisites</b>																		
L Lakshman -RHL										-	113	93						
Post Employment Benefit Plan																		
RBL																30	138	193
RHL																2	17	15
<b>Receivables</b>																		
RML from RTSS				409	281	33												
RML from JMA Rane				372	296	-												
REVL from JMA Rane				42	51	45												
<b>Service fee and trademark fee</b>																		
RTSS				360	9	1												
RNSS				417	49	-												

### 38. Segment Reporting

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Geographical Information

₹ Lakhs

Particulars	Revenue from external customers		Non - current assets**		
	Year Ended 31 March, 2018	Year Ended 31 March, 2017	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
India	1,76,095	166,432	80,521	79,190	75,880
Rest of World	57,903	56,759	4,952	4,576	5,085
	<b>2,33,998</b>	<b>2,23,191</b>	<b>85,473</b>	<b>83,766</b>	<b>80,965</b>

The geographical segments considered for disclosure are – India and Rest of the World.

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

And this excludes financial assets, deferred tax assets and tax assets.

### Information about major customers

Revenue from sale of auto components to largest customers (greater than 10% of total sales) is ₹ 87,792 Lakhs (31 March, 2017, ₹ 81,824 Lakhs)

### 39. Contingent Liabilities

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Letters of Credits & Guarantees issued by Bank	2,072	1,479	2,340
Claims against the Group not acknowledged as debts	16,454	6,262	6,935
It is not practicable for the Group 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>Capital Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advance)	3,729	3,075	2,508
Export obligation in respect of capital goods imported on payment of concessional duty**	-	1,395	-
Uncalled liability on investment *	2,219	3,240	-
<b>Other Commitments</b>			

In respect of REVL, 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 REVL pursuant to a merger in earlier years.

\* Represents Uncalled liability on investment in Auto Tech I, L.P for USD 5 Million over 5 years

\*\* In Respect of RBL as per EPCG certificate conditions average export turnover has to be maintained at ₹ 2,675 Lakhs per year for the next 2 years.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 40. Leases

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>40.a. Operating Leases</b>			
A. Non-cancellable operating lease commitments:			
<b>i. In respect to RHL,</b>			
RHL has entered into Non- cancellable leases agreements for certain office equipments and vehicles for a period ranging from one year to five years.			
Lease Rental debited to the Statement of Profit and Loss	189	181	164
Future minimum lease payments			
- not later than one year	158	168	172
- later than one year and not later than five years	173	283	412
- later than five years	-	-	-
<b>ii. In respect to RML,</b>			
<u>Land</u>			
RML has taken land on lease for a period of 99 years and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.			
<u>Vehicles</u>			
RML has taken vehicles/Forklifts under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:			
Lease Rental debited to the Statement of Profit and Loss	102	98	46
Future minimum lease payments			
- not later than one year	86	92	43
- later than one year and not later than five years	81	142	57
- later than five years	-	-	-
<b>B. Cancellable Leases:</b>			
The Group has operating lease agreements for office space and residential accommodation with option to renew with escalation.			
Lease Rental debited to the Statement of Profit and Loss	92	27	23
<b>40.b. Finance Leases</b>			
Represents the finance lease of Rane Precision Die Casting, Inc. acquired through Rane (Madras) International Holdings B.V (RMIH B.V). The details of the maturity profile of future Capital lease payments are furnished below:			
a. Future minimum lease payments under Finance lease for each of the following periods:			
-not later than one year	-	190	311
-Later than one year and not later than five years	-	280	482
-Later than five years	-	-	-
	-	<b>470</b>	<b>793</b>
b. Finance cost recognised in the Statement of Profit and Loss	-	25	49

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 41. Warranties

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Balance at the beginning of the year	716	567	495
Add: Provision made during the year	78	216	154
Less: Provision used against claims settled during the year	168	67	82
Unused amounts reversed	(20)	-	-
Balance at the end of the year	<b>606</b>	<b>716</b>	<b>567</b>

### 42. Exceptional Items

₹ Lakhs

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Profit on sale of land and other assets (net) (Refer note 42.1)	-	9,044
Voluntary Retirement Scheme (VRS) (Refer note 42.2)	(164)	(1,471)
Profit on land swap (Refer note 42.3)	1,574	-
	<b>1,410</b>	<b>7,573</b>

#### 42.1 In respect of REVL,

Profit on sale of land of ₹9,401 lakhs for the year ended 31 March, 2017. Further REVL has incurred an amount of ₹ 357 lakhs towards loss on Sale / Retirement of assets.

#### 42.2 In respect of RBL,

Voluntary Retirement Scheme (VRS) expenditure incurred amounting to ₹ 164 lakhs for the year ended 31 March, 2018 and ₹ 1,471 lakhs for the year ended 31 March, 2017, who opted for early retirement in terms of a voluntary retirement scheme introduced by the Company.

#### 42.3 In respect of RNSS (a joint venture company),

Share of Profit recognised due to land swap transaction recorded at fair value of ₹ 1,574 lakhs for the year ended 31 March, 2018

#### 42.4 In respect of RML, exceptional items represents

During the year, RML has recorded an aggregate claim of ₹ 1,008 Lakhs from a customer towards certain product quality issues. The RML has an insurance policy to cover product recall/guarantee claims/costs. The claim has been intimated to the insurer and has been considered as insurance claim receivable as the RML is confident of recovering this sum under the insurance policy.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 43. Group Information

The group's subsidiaries, joint ventures and associate as at 31 March, 2018 are set out below

Companies	Country of Incorporation	% of voting power held		
		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>a. Information about Subsidiaries</b>				
Rane (Madras) Limited - (RML)	India	60%	56%	56%
- Rane (Madras) International Holdings B.V (RMIH) - (subsidiary of RML)	The Netherlands	100%	100%	100%
- Rane Precision Die Casting Inc., (RPDC) - (subsidiary of RMIH)	The United States of America	100%	100%	100%
Rane Engine Valve Limited - (REVL)	India	51%	51%	51%
Rane Brake Lining Limited - (RBL)	India	46%	46%	46%
Rane t4u Private Limited (Refer note 43.1)	India	69%	-	-
Rane Holdings America Inc.	The United States of America	100%	100%	100%
Rane Holdings Europe GmbH (Refer note 43.2)	Germany	100%	100%	-
<b>b. Information about Joint Ventures</b>				
Rane TRW Steering Systems Private Limited - (RTSS)	India	50%	50%	50%
Rane NSK Steering Systems Private Limited - (RNSS)	India	49%	49%	49%
JMA Rane Marketing Limited	India	49%	49%	49%
<b>c. Information about Associate</b>				
SasMos HET Technologies Limited (SasMos) (Refer note 43.3)	India	-	-	45%

**43.1** The Company has acquired 69.41% equity shares of Rane t4u Private Limited (formerly known as Telematics4U Services Private Limited (T4U)) by way of subscription to a preferential allotment of 11,57,000 Equity shares of ₹ 10/- each at face value. Consequently, T4U became a subsidiary of the Company with effect from 01 September, 2017.

**43.2** The company has established a Wholly Owned Subsidiary (WOS) in Germany through acquisition of 100% Equity shares of Rane Holdings Europe GmbH (formerly know as Mainsee 1038, VV GmbH), during the year 2016-17.

**43.3** The Company has divested its entire holding of 6,11,399, equity shares of ₹ 10/- each fully paid up of M/s SasMos HET Technologies Limited, during the year 2016-17.

### 44. Disclosure of additional information as required by Schedule III:

₹ Lakhs

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent : Rane Holdings Limited	35.96%	38,169	32.85%	4,879	2.17%	(12)	34.06%	4,867
Subsidiaries								
Indian								
1. Rane (Madras) Limited - Consolidated	21.64%	22,974	16.30%	2,422	57.10%	(322)	14.69%	2,100
2. Rane Engine Valve Limited	13.28%	14,098	-11.49%	(1,706)	-0.15%	1	-11.94%	(1,705)
3. Rane Brake Lining Limited	17.73%	18,821	24.07%	3,575	-3.73%	21	25.17%	3,596
4. Rane t4u Private Limited	1.17%	1,244	-5.01%	(744)	-0.40%	2	-5.19%	(742)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Foreign								
1. Rane Holdings America Inc.	0.09%	98	0.10%	14	-	-	0.10%	14
2. Rane Holdings Europe GmbH	0.02%	22	0.02%	2	-0.51%	3	0.04%	5
Non-controlling interests	24.26%	25,751	12.27%	1,823	32.83%	(185)	11.46%	1,638
Joint Ventures (Investment as per the equity method)								
Indian								
1. Rane TRW Steering Systems Private Limited	-	-	24.26%	3,603	11.19%	(63)	24.77%	3,540
2. Rane NSK Steering Systems Private Limited	-	-	39.41%	5,853	1.15%	(6)	40.92%	5,847
3. JMA Rane Marketing Limited	-	-	0.69%	103	0.35%	(2)	0.70%	101
Consolidation Adjustments	-14.15%	(15,029)	-33.47%	(4,972)	-	-	-34.78%	(4,972)
Total	100.00%	106,148	100.00%	14,852	100.00%	(563)	100.00%	14,289

#### 45. Earnings Per Share

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit After Tax attributable to the owners - ₹ Lakhs	13,029	13,337
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹ 10/- each - Basic & Diluted - In ₹	91	93

46. The application for renewal for Consent For Operations (CFO) under the pollution control regulations in one of the manufacturing plants of REVL located in the State of Telangana has been returned by the regulatory authority citing that industries located in the specified area were not issued CFO in the light of G.O.Ms.No.111 dated 08 March, 1996. However, REVL is of the opinion that this does not impact the going concern status and its future operations. REVL has examined the matter and is taking necessary action to present its case that it is neither a polluting nor a potentially polluting industry before the pollution control authorities.

#### 47.1 Notes to First Time Adoption:

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 01 April, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### A.1 Ind AS optional exemptions

##### A.1.1 Business combinations

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiary companies, joint venture companies and associates which are considered as Business Combinations under Ind AS that occurred before 01 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of acquisition measurement is in accordance with respective Ind AS.

##### A.1.2 Prospective application of Ind AS 21 to business combinations

The Group elected to apply Ind AS 21 Effects of changes in Foreign Exchange Rates prospectively for business combinations that occurred before the date of transition to Ind AS.

##### A.1.3 Deemed cost

The group has elected to measure all of its property, plant and equipment, investment property and intangible assets at their previous GAAP carrying value adjusted for the impact of outstanding government grant relating to purchase of property plant and equipment and use the value so arrived as the deemed cost of the property, plant and equipment, investment property and intangible assets.

##### A.1.4 Leases

The group has elected to assess whether a contract or arrangement contains a lease on a prospective basis i.e. on the basis of facts and circumstances existing at the date of transition to Ind AS.

#### A.2 Ind AS mandatory exceptions

##### A.2.1 Estimates

On assessment of estimates made under the Previous GAAP financial statements, the group has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates except Impairment of financial asset based on expected credit loss model as the same was not required under previous GAAP.

##### A.2.2 Classification and measurement of financial assets

The group has done the assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### A.2.3 Impairment of financial assets

The group has applied the impairment requirements of Ind AS 109 retrospectively, however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Further, the group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101

##### A.2.4 Classification of debt instruments

The Group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

##### A.2.5 Government loans

The group has applied Ind AS 109 'Financial Instruments' and Ind AS 20 'Accounting for Government Grants and disclosure of Government Assistance' prospectively to Government loans existing at the date of transition and the group has not recognised the corresponding benefit of the Government loans at the below market rate of interest as a Government grant. Consequently, the group has used the previous GAAP carrying amount of the Government loans at the date of transition as the carrying amount of these loans in the opening Ind AS Balance Sheet.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

## 47.2 Effect of Ind AS adoption on Balance Sheet

₹ Lakhs

Particulars	Notes	As at 31 March, 2017 (end of last period under previous GAAP)				As at 01 April, 2016 (Date of Transition)					
		Previous GAAP	Effect of transition to Ind AS		Ind AS Total	Previous GAAP	Effect of transition to Ind AS		Ind AS Total		
			Joint Ventures (refer note b)	Subsidiaries and Consolidation Adjustments *			Joint Ventures (refer note b)	Subsidiaries and Consolidation Adjustments*			
<b>ASSETS</b>											
<b>Non-current assets</b>											
a. Property, plant and equipment	a.	91,421	(21,366)	674	(20,692)	70,729	88,910	(18,026)	380	(17,646)	71,264
b. Capital work-in-progress		4,316	(1,091)	-	(1,091)	3,225	2,090	(836)	-	(836)	1,254
c. Investment property		31	-	-	-	31	31	-	-	-	31
d. Goodwill	b.	9,102	-	(2,072)	(2,072)	7,030	8,897	-	(1,869)	(1,869)	7,028
e. Other intangible assets		418	(166)	-	(166)	252	375	(245)	-	(245)	130
f. Financial assets											
(i) Investments in Joint Ventures and Associates		96	-	25,249	25,249	25,345	1,347	-	21,621	21,621	22,968
(ii) Other Investments		-	-	97	97	97	-	-	95	95	95
(iii) Loans		26	(22)	-	(22)	4	672	(91)	(567)	(658)	14
(iv) Other financial assets		2,748	(279)	-	(279)	2,469	1,903	(159)	1	(158)	1,745
g. Deferred tax assets (Net)	d.	684	-	(38)	(38)	646	1,206	-	10	10	1,216
h. Tax assets (Net)		2,784	(464)	(55)	(519)	2,265	3,055	(399)	(22)	(421)	2,634
i. Other non-current assets	a.ii)	2,562	(268)	207	(61)	2,501	1,206	(183)	236	53	1,259
<b>Total non-current assets</b>		<b>1,14,188</b>	<b>(23,656)</b>	<b>24,062</b>	<b>406</b>	<b>1,14,594</b>	<b>1,09,692</b>	<b>(19,939)</b>	<b>19,885</b>	<b>(54)</b>	<b>1,09,638</b>
<b>Current Assets</b>											
a. Inventories		30,411	(9,408)	2	(9,406)	21,005	26,237	(8,350)	2	(8,348)	17,889
b. Financial assets											
(i) Investments		5,373	(100)	-	(100)	5,273	876	-	-	-	876
(ii) Trade receivables	e.	48,789	(14,278)	1,066	(13,212)	35,577	43,187	(11,153)	1,361	(9,792)	33,395
(iii) Cash and cash equivalents		2,440	(1,191)	(27)	(1,218)	1,222	1,122	(462)	43	(419)	703
(iv) Bank balances other than (iii) above		1,042	(51)	26	(25)	1,017	375	(141)	(44)	(185)	190
(v) Loans		103	(97)	33	(64)	39	96	(158)	130	(28)	68
(vi) Other financial assets	e iii),f.	1,171	(278)	46	(232)	939	1,113	(374)	432	58	1,171
c. Other current assets		7,161	(2,181)	-	(2,181)	4,980	5,926	(1,684)	1	(1,683)	4,243
d. Assets classified as held for sale		80	-	-	-	80	1	-	-	-	1
<b>Total current assets</b>		<b>96,570</b>	<b>(27,584)</b>	<b>1,146</b>	<b>(26,438)</b>	<b>70,132</b>	<b>78,933</b>	<b>(22,322)</b>	<b>1,925</b>	<b>(20,397)</b>	<b>58,536</b>
<b>TOTAL ASSETS</b>		<b>2,10,758</b>	<b>(51,240)</b>	<b>25,208</b>	<b>(26,032)</b>	<b>1,84,726</b>	<b>1,88,625</b>	<b>(42,261)</b>	<b>21,810</b>	<b>(20,451)</b>	<b>1,68,174</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31 MARCH 2018

₹ Lakhs

Particulars	Notes	As at 31 March, 2017 (end of last period under previous GAAP)				As at 01 April, 2016 (Date of Transition)			
		Previous GAAP	Effect of transition to Ind AS		Ind AS Total	Previous GAAP	Effect of transition to Ind AS		Ind AS Total
			Joint Ventures (refer note b)	Subsidiaries and Consolidation Adjustments *			Joint Ventures (refer note b)	Subsidiaries and Consolidation Adjustments*	
<b>EQUITY AND LIABILITIES</b>									
<b>Equity</b>									
a. Equity Share Capital		1,428	(1,350)	-	1,428	(1,350)	-	1,428	-
b. Other Equity		70,706	(22,459)	(803)	69,903	(17,559)	438	57,066	438
Equity attributable to equity holders of parent		72,134	(23,809)	(803)	71,331	(18,909)	438	58,494	438
Non-Controlling Interest		23,619	-	71	23,690	-	(9)	19,081	(9)
<b>Liabilities</b>									
<b>Non-current liabilities</b>									
<b>a. Financial liabilities</b>									
(i) Borrowings	g.	22,842	(4,214)	16	18,644	23,267	49	21,212	(2,055)
(ii) Other financial liabilities	f.	103	-	(10)	93	109	(23)	86	(23)
b. Provisions		1,521	(14)	-	1,507	1,396	-	1,378	(18)
c. Deferred Tax Liabilities (Net)	d.	1,257	(1,028)	272	501	1,067	(17)	494	(573)
d. Other non-current liabilities		273	(3)	557	827	456	410	866	410
Total non-current liabilities		25,996	(5,259)	835	(4,424)	26,295	419	24,036	(2,259)
<b>Current liabilities</b>									
<b>a. Financial liabilities</b>									
(i) Borrowings	e.i)	28,255	(6,450)	688	22,493	26,431	935	22,467	(3,964)
(ii) Trade payables		43,286	(11,772)	449	31,963	35,561	514	25,715	(9,846)
(iii) Other financial liabilities	f.	9,535	(1,720)	(20)	7,795	14,278	479	12,594	(1,684)
b. Provisions		2,357	(901)	-	1,456	3,229	2	1,353	(1,876)
c. Current tax Liabilities		11	(11)	1	(10)	-	2	2	2
d. Other current liabilities	a.i)	5,565	(1,318)	178	4,425	5,685	121	4,432	(1,253)
<b>Total current liabilities</b>		<b>89,009</b>	<b>(22,172)</b>	<b>1,296</b>	<b>68,133</b>	<b>85,184</b>	<b>2,053</b>	<b>66,563</b>	<b>(18,621)</b>
<b>Total Liabilities</b>		<b>1,15,005</b>	<b>(27,431)</b>	<b>2,131</b>	<b>89,705</b>	<b>1,11,479</b>	<b>2,472</b>	<b>90,599</b>	<b>(20,880)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,10,758</b>	<b>(51,240)</b>	<b>25,208</b>	<b>1,84,726</b>	<b>1,88,625</b>	<b>21,809</b>	<b>1,68,174</b>	<b>(20,451)</b>

The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

\* Consolidation adjustment includes consolidation adjustment with respect to Joint venture also.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 47.3 Reconciliation of total equity:

₹ Lakhs

Particulars	Notes	As at 31 March, 2017 (end of last period presented under previous GAAP)	As at 01 April, 2016 (Date of transition)
Total Equity (shareholder's fund ) as per previous GAAP		72,200	59,076
<b>Ind AS Adjustments:</b>			
<b>Add:</b>			
Impact of measuring investments at fair value	c.	223	223
Recognition of grant income arising from EPCG benefits(net of increase in depreciation)	a.	131	85
Impact of hedge accounting under Ind AS on forward contracts and underlying financial assets/liabilities(net of tax)	k.	1	2
Impact on account of measurement of financial liabilities at amortised cost	f.ii)	10	40
Impact of reversal of pension liabilities	l.	32	-
Impact of measuring joint ventures at carrying cost	b	21,967	17,735
	<b>Subtotal</b>	<b>22,364</b>	<b>18,085</b>
<b>Less:</b>			
Impact of measuring financial assets and liabilities at fair value	f.	12	-
Impact of deferred tax liability on undistributed profit of subsidiary companies		265	-
Reclassification of government grant as per Ind AS	a.i)	29	33
Deferred tax adjustment	d.	73	-
Impact of measuring trade receivables under expected credit loss method	e.i)	45	73
Derecognition of reserves pertaining to joint ventures	b	21,967	17,735
Other adjustments		842	826
	<b>Subtotal</b>	<b>23,233</b>	<b>18,667</b>
<b>Equity as reported under Ind AS</b>		<b>71,331</b>	<b>58,494</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 47.4 Effect of Ind AS on the Statement of Profit or Loss:

₹ Lakhs

Particulars	Notes	For the year ended 31 March, 2017					
		(End of last period presented under previous GAAP)					
		Previous GAAP	Effect of transition to Ind AS			Total	Ind AS
			Joint Ventures (refer note b)	Subsidiaries and consolidation adjustments*			
<b>I Revenues from Operations</b>	h.	3,16,730	(1,05,810)	12,272	(93,538)	2,23,191	
<b>II Other Income</b>	a.	5,913	(298)	(1,424)	(1,722)	4,192	
<b>III Total Income (I+II)</b>		3,22,643	(1,06,108)	10,848	(95,260)	2,27,383	
<b>IV Expenses:</b>							
Cost of materials consumed		1,59,698	(61,162)	3,301	(57,861)	101,837	
Purchases of stock-in-trade		1,990	(2,936)	1,806	(1,130)	860	
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(1,606)	150	1	151	(1,455)	
Excise duty on sale of goods	h.i)	19,709	(10,189)	10,066	(123)	19,586	
Employee benefits expense	j.	44,857	(7,024)	(80)	(7,104)	37,753	
Finance costs	g.	4,954	(679)	36	(643)	4,311	
Depreciation and amortisation expense		13,779	(3,241)	46	(3,195)	10,584	
Other expenses	a.ii),e.i),h.	61,231	(12,987)	(4,340)	(17,327)	43,904	
<b>Total Expenses</b>		3,04,612	(98,068)	10,836	(87,232)	2,17,380	
<b>V Profit before share of profit of joint venture and associate and exceptional items (III-IV)</b>		18,031	(8,040)	12	(8,028)	10,003	
<b>VI Share of Profit of Joint Ventures</b>				8,117	8,117	8,117	
<b>VII Share of Profit of Associate</b>		294	-	137	137	431	
<b>VIII Profit before exceptional items and tax (V+VI+VII)</b>		18,325	(8,040)	8,266	226	18,551	
<b>IX Exceptional items</b>		7,573	-	-	-	7,573	
<b>X Profit before tax (After Exceptional Items) (VIII+IX)</b>		25,898	(8,040)	8,266	226	26,124	
Tax Expense	d.,e.i)	7,336	(2,588)	3,144	556	7,892	
<b>XI Profit for the period</b>		18,562	(5,452)	5,122	(330)	18,232	
<b>XII Other Comprehensive Income</b>							
i. Items that will not be reclassified to profit or loss							
a. Re-measurement gains (losses) on defined benefit plans	j.	-	-	(35)	(35)	(35)	
b. Net movement on cash flow hedges		-	-	31	31	31	
c. Income tax relating to items that will not be reclassified to profit or loss		-	-	78	78	78	
		-	-	74	74	74	

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

₹ Lakhs

Particulars	Notes	For the year ended 31 March, 2017				
		(End of last period presented under previous GAAP)				
		Previous GAAP	Effect of transition to Ind AS			Ind AS
Joint Ventures (refer note b)	Subsidiaries and consolidation adjustments*		Total			
<b>ii. Items that will be reclassified to profit or loss</b>						
a. Net movement on cash flow hedges	k.	-	-	55	55	55
b. Income tax relating to items that will be reclassified to profit or loss		-	-	(20)	(20)	(20)
c. Exchange differences on translation of foreign operations		-	-	169	169	169
		-	-	<b>204</b>	<b>204</b>	<b>204</b>
<b>Total other comprehensive income</b>		-	-	<b>278</b>	<b>278</b>	<b>278</b>
<b>XIII. Total Comprehensive Income for the period (XI+XII)</b>		<b>18,562</b>	<b>(5,452)</b>	<b>5,400</b>	<b>(52)</b>	<b>18,510</b>

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

\* Consolidation adjustment includes consolidation adjustment with respect to Joint venture also.

### 47.5 Reconciliation of total comprehensive income

₹ Lakhs

Particulars	Notes	Year ended 31 March, 2017 (latest period presented under previous GAAP)
<b>Net Profit as per Indian GAAP</b>		<b>18,562</b>
<b>Add:</b>		
Actuarial (gain) / loss on employee defined benefits plans reclassified in Other Comprehensive Income	j.	2
Fair valuation of financial assets and liabilities (Net)	f.	(49)
Amortisation of deferred Income relating to Government Grant (EPCG License) - (net of related depreciation on amount capitalised)	a.	48
Impact due to expected credit loss method	e.i)	18
Deferred tax impact on above adjustments	d.i)	(118)
Reversal of Pension liability	l.	32
	<b>Sub-total</b>	<b>18,495</b>
<b>Less:</b>		
Recognition of deferred tax liability on undistributed profit		265

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	Notes	Year ended 31 March, 2017 (latest period presented under previous GAAP)
<b>Net Profit under Ind AS (A)</b>		<b>18,232</b>
<b>Other Comprehensive income (net of tax)</b>		
Actuarial gain / (loss) on employee defined benefit plans	j.	(2)
Effective portion of gain / (loss) on designated portion of hedging instruments in a cash flow hedge reclassified in Other Comprehensive Income	k.	237
Deferred tax impact on above adjustment	d.i)	45
Exchange gain / (loss) on Foreign Operation		(2)
<b>Other Comprehensive income, net of income tax (B)</b>		<b>278</b>
<b>Total Comprehensive Income for the period under Ind AS (A+B)</b>		<b>18,510</b>

Note: No statement of comprehensive income was produced under previous GAAP.

Therefore the above reconciliation starts with profit under previous GAAP.

### 47.6 Effect of Ind AS Adoption on the statement of cash flows

₹ Lakhs

Particulars	Year ended 31 March, 2017		
	(End of last period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Previous GAAP</b>			
Net cash flows from operating activities	24,010	(8,027)	15,983
Net cash flows from investing activities	(9,737)	7,136	(2,601)
Net cash flows from financing activities	(11,930)	(933)	(12,863)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,343</b>	<b>(1,824)</b>	<b>519</b>
Cash and cash equivalents at the beginning of the period	1,510	(807)	703
<b>Cash and cash equivalents at the end of the period</b>	<b>3,853</b>	<b>(2,631)</b>	<b>1,222</b>

The previous GAAP figures have not been reclassified as per Ind AS requirements

### In respect of RML:

₹ Lakhs

Particulars	Year ended 31 March, 2017		
	(End of last period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
Cash and cash equivalents for the purpose of statement of cash flows	901	(340)	561

₹ 340 Lakhs represent Margin Money Deposit

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### In respect of RHL:

₹ Lakhs

Particulars	Year ended 31 March, 2017		
	(End of last period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
<b>Previous GAAP</b>			
Net cash flows from operating activities	2,546	(56)	2,490
Net cash flows from investing activities	(272)	56	(216)
Net cash flows from financing activities	(2,039)	-	(2,039)
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>235</b>	<b>-</b>	<b>235</b>
Cash and cash equivalents at the beginning of the period	154	-	154
<b>Cash and cash equivalents at the end of the period</b>	<b>389</b>	<b>-</b>	<b>389</b>

### In respect of REVL and RBL:

There are no changes to the cash flows from operating, financing and investing activities as reported in the cash flow statement for the year ended 31 March, 2017 drawn up under the previous GAAP on account of transition to Ind AS, other than those arising due to reclassification of the previous year figures to conform to the current year's layout.

### 47.7. Notes to first time adoption

#### a. Property plant and equipment:

##### i) Government Grants

- (1) Under the previous GAAP, Export Promotion Capital Goods (EPCG) benefit received was netted off with the value of related property, plant & equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as grant and recognised by way of setting up as deferred income.
- (2) Under previous GAAP the Group has recognised the government grant related to procurement of assets under Capital Reserve. Under Ind AS asset related government grants are required to be presented as deferred income and amortised over the useful life of the asset.

##### ii) Leasehold Land

Under previous GAAP, the group has taken land on lease for a period of 99 years and capitalised as "leasehold land" in the books considering the same as Finance lease. Under Ind AS the asset with indefinite useful life should be considered as operating lease only. Hence, the leasehold land is derecognised from Property, Plant and Equipment and classified as prepayments under other non-current assets.

#### b. Joint Ventures

Under previous GAAP joint ventures were consolidated on a line by line basis in proportion to the percentage of shareholding. Under Ind AS, an investment in joint venture is accounted for using the equity method from the date on which the investee becomes joint venture.

On acquisition of these investments, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill in the consolidated financial statements of the company. On account of the change in the method of consolidation, this goodwill now stands adjusted in the consolidated financial statements as at 01 April, 2016.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### c. Investments

Under previous GAAP, investment in preference shares of Rane (Madras) Limited, recorded at cost of ₹ 600 Lakhs and considered under long term investment. This investment is now recognized at fair value of ₹ 823 Lakhs and reclassified as loans under financial assets as per Ind AS requirement. The differential value of ₹ 223 Lakhs is recognized as Ind AS transition reserve in other equity.

### d. Deferred tax

- i) Under previous GAAP, deferred taxes were to be accounted on timing differences arising between the accounting profit and tax profit. However, such method has been replaced with balance sheet approach in Ind AS, wherein deferred taxes are to be accounted for the differences arising between the accounting balance sheet and tax balance sheet. Accordingly, deferred taxes has been accounted for such temporary differences.
- ii) Under previous GAAP, Minimum Alternate Tax entitlements were classified under other non-current assets. Under Ind AS, the same is classified as unused tax credits under deferred tax. The movement in MAT Credit entitlement also forms part of deferred tax expense in the Statement of Profit and loss.

### e. Trade Receivables

- i) Under previous GAAP, provision for bad and doubtful debts was recognised as per the internal policy of the Group based on ageing of Trade Receivables. Under Ind AS, the impairment loss allowance on account of Trade receivables is created based on a provision matrix computed under the Expected credit loss method.
- ii) Under previous GAAP customer bill discounting with recourse is derecognised from Trade receivables and shown as contingent liability. Under Ind AS customer bill discounting with recourse are recognised as Trade receivable with corresponding liability in Borrowings based on assessment of risk and rewards of ownership of receivables discounted.
- iii) Under the previous GAAP, foreign currency derivatives in respect of Buyer's Credit and Trade receivables was being accounted as per the principles laid down in para 36 of AS 11. Under IND AS, the underlying asset/liability are reinstated at the rates prevailing as at the reporting date and marked-to-market gain/loss on the foreign currency derivatives are also recognized.

### f. Other financial assets and other financial liabilities

- i) Under Previous GAAP, foreign currency loans in respect of which the rupee equivalent (including interest) has been firmly fixed by way of derivative contracts were not being reinstated since there is no impact in the Statement of Profit & Loss arising out of exchange fluctuations during the loan tenure. Under Ind AS, such loans are measured at exchange rate as on the reporting date. The Marked to Market position on the corresponding derivatives are also recognized as an asset/liability on the reporting date.
- ii) Under previous GAAP, liabilities were recorded at their transaction value. Under Ind AS, financial liabilities are initially measured at fair value and subsequently measured at amortized cost.

### g. Borrowings

Under previous GAAP transaction fees on borrowings were charged off to expense during availment of loan. Under Ind AS the transaction cost is required to be deducted from the carrying amount of the borrowings on the initial recognition These costs are recognised in the statement of profit and loss over the tenor of the borrowing as part of the interest expense by applying the Effective interest rate method.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### h. Revenue from operations:

- i) Under previous GAAP, cash discounts and rebates passed on to customers were recorded in other expenses under the head selling expenses. Under Ind AS, these are reflected as adjustments to revenue for sale of products. Under previous GAAP, excise duty on sale of goods was adjusted in revenue from sale of products whereas under Ind AS, it is considered as a production cost and hence, disclosed separately as an expense in the statement of profit and loss.
- ii) Under the previous GAAP, discounts in the nature of cash and volume discount was reported as an item of expense in the statement of profit and loss account. However under Ind AS, revenue is to be recognised at the fair value of consideration received or receivable after considering such discounts.

### i. Interest income

Under previous GAAP, dividend income of ₹ 56 Lakhs from preference shares of Rane (Madras) Limited, recorded as income on receipt basis. As per Ind AS, this dividend income has been classified as interest income and recognised on accrual basis. The effect of the same was considered as Ind AS transition reserve in other equity.

### j. Employee Benefit expense

Under previous GAAP, actuarial gains or losses were recognised as Employee Benefit expenses in profit or loss. Under Ind AS, the actuarial gains or losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of Profit or Loss.

### k. Hedging

Under previous GAAP, discount/premium on forward/option contracts were amortised over the tenor of the forward/option contract. Under Ind AS, the group is required to designate Hedge as Fair value Hedge or Cash Flow Hedge. Fair value Hedges are hedges of the fair value of assets or liabilities or a firm commitment and cash flow hedges are hedges of a particular risk associated with the cash flows of highly probable forecast transactions. Accordingly, resulting gain or loss in an effective cash flow hedge has been adjusted in other comprehensive income and ineffective portion has been taken to statement of profit and loss account.

### l. Remeasurement of pension liability

Under Ind AS post employment benefit obligation should be discounted using a discount rate determined by market yields at the reporting date on Government bonds. Accordingly, in respect of the foreign subsidiary (RPDC), the remeasurement gain of pension liability at the reporting date as per Ind AS 19 has been adjusted.

## 48. Financial Instruments

### 48.1 Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings if the need arises.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances as detailed in notes 20 and 15.a.) and total equity of the Group.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 48.2 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Debt *	50,097	45,890	53,263
Cash and cash equivalents	(2,834)	(1,222)	(703)
<b>Net debt</b>	<b>47,263</b>	<b>44,668</b>	<b>52,560</b>
<b>Total Equity**</b>	<b>1,06,148</b>	<b>95,021</b>	<b>77,576</b>
Net debt to equity ratio (in times)	0.45	0.47	0.68

\* Debt is defined as long-term and short-term borrowings

\*\* Equity includes capital and reserve of the company that are managed as capital.

### 48.3 Categories of financial instruments

₹ Lakhs

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Financial assets</b>			
<b>Measured at fair value through profit or loss (FVTPL)</b>			
(a) Mandatorily measured:			
Equity investments	5	97	95
Derivative instruments	-	64	444
Mutual fund investments (quoted)	792	5,273	876
(b) Designated as at FVTPL	-	-	-
<b>Measured at amortised cost</b>			
(a) Trade Receivables	45,618	35,577	33,395
(b) Cash and cash equivalents	2,834	1,222	703
(c) Bank balances other than above	95	1,017	190
(d) Other financial assets	4,381	3,345	2,472
<b>Measured at fair value through other comprehensive income (FVTOCI)</b>			
(a) Investments in equity instruments designated upon initial recognition	1,026	-	-
(b) Fair value derivative hedging receivable	79	-	-
<b>Financial liabilities</b>			
<b>Measured at amortised cost</b>			
Borrowings	50,097	45,890	53,263
Trade Payables	41,319	31,963	25,715
Other Financial Liabilities	2,402	3,134	3,039
<b>Measured at FVTPL</b>			
Derivative Instruments	4	1	57

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 48.3.1 Fair value of financial assets measured at FVTPL and FVTOCI (Refer 48.3):

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
<b>Financial assets</b>					
a. Mutual fund Investments (quoted)	792	5,273	876	1	Fair value is determined based on Net Assets Value published by respective funds
b. Derivative investments (forward contracts)	79	64	444	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
c. Equity investments measured at FVTPL	5	97	95	3	Equity investments are carried at value as on the date of transition. The fair value of the same is based on price of prior transactions. The said investment has subsequently been transferred at its carrying value during the financial year 2017-18. Accordingly, disclosure of the sensitivity of fair value measurement in unobservable inputs is considered not relevant. Other than the effect of disposal as stated above, there are no other changes in the fair value of such investments.
d. Investments in equity instruments designated upon initial recognition	1,026	-	-	3	Carrying value approximates fair value
<b>Total</b>	<b>1,902</b>	<b>5,434</b>	<b>1,415</b>		
<b>Financial liabilities</b>					
a. Fair value Derivative Hedging liability	4	1	57	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
<b>Total</b>	<b>4</b>	<b>1</b>	<b>57</b>		
<b>Net financial assets / (liabilities)</b>	<b>1,898</b>	<b>5,433</b>	<b>1,358</b>		

\* Fair Value Hierarchy (Level 1,2,3)

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

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

### 48.4 Financial risk management

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk, equity price risk and liquidity risk.

The following disclosures summarize the Group'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.

#### 48.4.1 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. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments.

The Group operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Group is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

#### 48.5 Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

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

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

Currency	Foreign currency in lakhs		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
<b>Financial Assets</b>			
USD	216	85	80
EUR	7	8	7
JPY	125	-	2
GBP	1	1	1
AUD	-	1	1
	<b>349</b>	<b>95</b>	<b>91</b>
<b>Financial Liabilities</b>			
USD	110	101	147
EUR	8	1	2
JPY	771	1,844	0
GBP	1	1	1
AUD	-	-	-
	<b>890</b>	<b>1,947</b>	<b>150</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 48.5.1 Foreign Currency sensitivity analysis

The following table details the group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below in relation to asset/liability indicates a decrease/increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.

₹ Lakhs

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	2017 - 2018	2016 - 2017	2017-18	2016-17
<b>Financial Assets</b>				
<b>Increase/Decrease by 5%</b>				
USD	439	276	287	180
EUR	40	28	26	18
JPY	1	-	1	-
GBP	23	1	15	1
AUD	-	2	-	1
	<b>503</b>	<b>307</b>	<b>329</b>	<b>200</b>
<b>Financial Liabilities</b>				
<b>Increase/Decrease by 5%</b>				
USD	378	329	247	215
EUR	22	4	14	2
JPY	4	20	3	13
GBP	1	1	1	1
AUD	-	-	-	-
	<b>405</b>	<b>354</b>	<b>265</b>	<b>231</b>
<b>Total</b>	<b>98</b>	<b>(47)</b>	<b>64</b>	<b>(31)</b>

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

### 48.5.2 Derivative Financial Instruments

The Group operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Group to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to One year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	₹ Lakhs	
	As at 31 March. 2018	As at 31 March. 2017
<b>Buy USD</b>		
Less than 3 months	812	325
Later than 3 months but upto 6 months	252	290
Later than 6 months but not later than 1 year	-	-
<b>Total</b>	<b>1,064</b>	<b>615</b>

Particulars	₹ Lakhs	
	As at 31 March. 2018	As at 31 March. 2017
<b>Sell USD</b>		
Less than 3 months	732	615
Later than 3 months but upto 6 months	1,438	640
Later than 6 months but not later than 1 year	2,450	328
<b>Total</b>	<b>4,620</b>	<b>1,583</b>

Particulars	₹ Lakhs	
	As at 31 March. 2018	As at 31 March. 2017
<b>Buy JPY</b>		
Less than 3 months	475	213
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
<b>Total</b>	<b>475</b>	<b>213</b>

Particulars	₹ Lakhs	
	As at 31 March. 2018	As at 31 March. 2017
<b>Buy Euro</b>		
Less than 3 months	-	29
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
<b>Total</b>	<b>-</b>	<b>29</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 01 April, 2016

Particulars	₹ Lakhs	
	As at 31 March. 2018	As at 31 March. 2017
<b>Sell Euro</b>		
Less than 3 months	94	67
Later than 3 months but upto 6 months	97	44
Later than 6 months but not later than 1 year	-	-
<b>Total</b>	<b>191</b>	<b>111</b>

₹ Lakhs

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	As at 31 March, 2018	As at 31 March, 2017
<b>Sell GBP</b>		
Less than 3 months	12	49
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
<b>Total</b>	<b>12</b>	<b>49</b>

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2018 is as follows :

Particulars	As at 31 March, 2018
<b>Balance at the beginning of the period</b>	<b>5</b>
Gain/loss recognised in other comprehensive income during the period	79
Tax impact on above	(27)
<b>Balance at the end of the period</b>	<b>57</b>

₹ Lakhs

### 48.6 Other price risks

The holding company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company doesn't actively trade these investments.

#### 48.6.1 Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the fair value had been 5% higher/lower profit for the year ended 31 March, 2018 would increase/decrease by ₹ 51.32 Lakhs as a result of the changes in fair value of equity investments which have been irrevocably designated as at FVTOCI.

### 48.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and cash equivalents, investments carried at cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit risk arising from investment in mutual funds, derivative financial instruments, cash and cash equivalents, investment in deposits carried at cost and other balances with banks is limited and there is no collateral held against these because the



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

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

### 48.7.1 Expected credit loss for loans, security deposits and investments

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit ratings.

### 48.7.2 Expected credit loss for trade receivables under simplified approach

In determining the allowances for credit losses of trade receivables, the group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

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

Particulars	₹ Lakhs	
	As at 31 March, 2018	As at 31 March, 2017
Balance at beginning of the year	854	606
Charge in statement of profit and loss	17	285
Amount written off during the year	(26)	(37)
<b>Balance at the end of the year</b>	<b>845</b>	<b>854</b>

### 48.7.3 Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

### 48.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the respective board of directors, which has established an appropriate liquidity risk management framework for the management of the respective company's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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.

#### 48.8.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative 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 Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March, 2018

₹ Lakhs

Particulars	As at 31 March, 2018		1-5 year	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year			
Borrowings	45,545	25,038	20,507	-	45,545
Interest on borrowings	176	176	-	-	176
Current Maturities of long term debt	4,553	4,553	-	-	4,553
Trade Payables	41,319	41,319	-	-	41,319
Other Financial Liabilities	2,227	2,222	5	-	2,227
<b>Total</b>	<b>93,820</b>	<b>73,308</b>	<b>20,512</b>	<b>-</b>	<b>93,820</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March, 2017

₹ Lakhs

Particulars	As at 31 March, 2017		1-5 year	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year			
Borrowings	41,137	22,493	18,644	-	41,137
Interest on borrowings	237	237	-	-	237
Current Maturities of long term debt	4,753	4,753	-	-	4,753
Trade Payables	31,963	31,963	-	-	31,963
Other Financial Liabilities	2,896	2,818	78	-	2,896
<b>Total</b>	<b>80,986</b>	<b>62,264</b>	<b>18,722</b>	<b>-</b>	<b>80,986</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 01 April, 2016

₹ Lakhs

Particulars	As at 01 April, 2016		1-5 year	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year			
Borrowings	43,679	22,467	21,212	-	43,679
Interest on borrowings	317	317	-	-	317
Current Maturities of long term debt	9,584	9,584	-	-	9,584
Trade Payables	25,715	25,715	-	-	25,715
Other Financial Liabilities	2,722	2,650	72	-	2,722
<b>Total</b>	<b>82,017</b>	<b>60,733</b>	<b>21,284</b>	<b>-</b>	<b>82,017</b>

### 48.9 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH, 2018

#### 48.9.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

₹ Lakhs

Particulars	Level 3					
	As at 31 March, 2018		As at 31 March, 2017		As at 1 April, 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
<b>Financial assets at amortised cost:</b>						
Trade Receivables	45,618	45,618	35,577	35,577	33,395	33,395
Cash and bank balances	2,834	2,834	1,222	1,222	703	703
Bank balances other than above	95	95	1,017	1,017	190	190
Security deposits	1,600	1,600	1,604	1,604	1,245	1,245
Interest receivable	93	93	120	120	106	106
Other deposits	514	514	505	505	453	453
Deposits with Statutory Authorities	41	41	26	26	27	27
Claims Receivable	1,543	1,543	346	346	324	324
Unclaimed dividend	21	21	17	17	11	11
Long term deposits more than 1 year	49	49	14	14	34	34
Loans and advances to employees	13	13	15	15	21	21
Rent deposits	92	92	57	57	50	50
Margin money Deposits	213	213	355	355	15	15
Advance recoverable in cash	38	38	23	23	75	75
Rebate of ED on Exports Receivable	81	81	203	203	15	15
Duty Drawback Receivable	64	64	59	59	79	79
Unbilled revenue	10	10	-	-	-	-
Others	8	8	-	-	17	17
<b>Total</b>	<b>52,927</b>	<b>52,927</b>	<b>41,160</b>	<b>41,160</b>	<b>36,760</b>	<b>36,760</b>
<b>Financial liabilities</b>						
<b>Financial liabilities held at amortised cost:</b>						
Borrowings	45,545	45,545	41,137	41,137	43,679	43,679
Trade Payables	41,319	41,319	31,963	31,963	25,715	25,715
Current maturities of term loans from banks	4,553	4,553	4,753	4,753	9,584	9,584
Interest accrued but not due on borrowings	176	176	237	237	317	317
Interest accrued but due on borrowings	-	-	-	-	-	-
Deposits C & F agents	5	5	4	4	4	4
Security deposits	36	36	34	34	30	30
Unclaimed dividend	104	104	102	102	94	94
Unclaimed Matured Fixed Deposits	-	-	-	-	3	3
Fixed Deposit interest paid but not encashed	-	-	-	-	1	1
Employee related	1,554	1,554	1,475	1,475	1,968	1,968
Payables on purchase of fixed assets	290	290	961	961	275	275
Commission payable to Chairman	124	124	51	51	45	45
Termination benefit under VRS	1	1	15	15	29	29
Tax on preference dividend	-	-	11	11	11	11
Others	113	113	244	244	262	262
<b>Total</b>	<b>93,820</b>	<b>93,820</b>	<b>80,987</b>	<b>80,987</b>	<b>82,017</b>	<b>82,017</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The fair values of the non-current financial assets and non-current financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

### 49. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 07 May, 2018.

### 50. Previous year's figure

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

Signature to notes 1 to 50

**For and on behalf of the Board**

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May, 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

## FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

₹ In Lakhs  
\$ in Thousands  
€ in Thousands

1. Sl. No.	1	2	3	3	4	5		
2. Name of the subsidiary	Rane (Madras) Limited	Rane Engine Valve Limited	Rane Brake Lining Limited	Rane t4u Private Limited	Rane Holdings America Inc.	Rane Holdings Europe GmbH		
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period								
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.					USD 1\$ = ₹ 65.04	EURO 1 € = ₹ 80.35		
					\$	₹	€	₹
5. Share capital	1,161	672	791	167	20	10	25	18
6. Reserves & surplus	21,813	13,426	18,030	(22)	131	88	3	5
7. Total assets	93,259	32,037	31,089	1,511	178	116	50	40
8. Total Liabilities	70,285	17,939	12,268	1,366	27	18	22	18
9. Investments	-	4	-	-	-	-	-	-
10. Turnover	1,43,205	38,518	50,062	870	433	279	53	41
11. Profit / (Loss) before taxation	4,010	(2,113)	5,489	(718)	29	19	3	3
12. Provision for taxation	1,588	(407)	1,914	(117)	7	4	0.6	0.4
13. Profit / (Loss) after taxation	2,422	(1,706)	3,575	(601)	22	14	2.9	2.3
14. Proposed Dividend	-	-	-	-	-	-	-	-
15. % of shareholding	60.44%	51.07%	46.09%	69.41%	100.00%		100.00%	

For and on behalf of the Board

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May, 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

## FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

## Part "B": Associates and Joint Ventures

₹ In Lakhs

Name of Joint Ventures	Joint Venture Companies		
	Rane TRW Steering Systems Private Ltd	Rane NSK Steering Systems Private Ltd	JMA Rane Marketing Ltd
<b>1. Latest audited Balance Sheet Date</b>	31 March, 2018	31 March, 2018	31 March, 2018
<b>2. Shares of Joint Ventures held by the company on the year end</b>			
Number of Shares	43,69,123	87,71,000	3,60,003
Amount of Investment in Joint Ventures	2,332	1,012	36
Extent of Holding %	50.00%	49.00%	48.97%
<b>3. Description of how there is significant influence</b>	Note 1	Note 1	Note 1
<b>4. Reason why the joint venture is not consolidated</b>	Note 2	Note 2	Note 2
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	15,634	14,211	1,109
<b>6. Profit / (Loss) for the year</b>			
i. Considered in Consolidation	3,603	5,853	102
ii. Not Considered in Consolidation	3,603	6,092	107

Note 1 : There is significant influence due to percentage (%) of Share Capital.

Note 2 : The results and assets and liabilities of the Joint ventures are incorporated in the consolidated financial statements using Equity Method of accounting.

For and on behalf of the Board

**Harish Lakshman**  
Vice Chairman  
DIN: 00012602

**L Ganesh**  
Chairman and Managing Director  
DIN: 00012583

Chennai  
07 May, 2018

**J Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

## PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES FOR THE YEAR 2017-18

### 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 2017-18 (in ₹ Crs.)	% increase/ (decrease) of remuneration FY 2017-18	Ratio of remuneration of each director to median remuneration of employees
Mr. L Lakshman	Chairman Emeritus (Note iii)	1.02	Not comparable	Not Applicable
<b>Key Managerial Personnel</b>				
Mr. L Ganesh	Chairman & Managing Director	18	53%	29.76
Mr. Siva Chandrasekaran	Secretary	0.58	9%	Not Applicable
Mr. J Ananth	Chief Financial Officer	0.38	6%	

#### Note:

- (i) None of the other directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof.
  - (ii) Remuneration considered based on annual emoluments and designation as on date.
  - (iii) Remuneration paid to Chairman Emeritus relates to Commission and perquisites and excludes sitting fees and Advisory fees.
2. Median remuneration of the employees of the Company for FY 2017-18 is ₹ 7.32 Lakhs. Increase in median remuneration during the year :12%  
employees other than the managerial personnel in last financial year: 12%
  3. Number of permanent employees on the rolls of the Company as on 31 March, 2018 was 85 as against 88 as on 31 March, 2017.  
The percentile increase in managerial remuneration: 53%. The increase in managerial remuneration is in line with the present industry standards.
  4. Average percentile increase already made in salary of  
5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

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

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

Name	Designation	Remuneration (Amount in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. L Ganesh	<b>Chairman &amp; Managing Director</b>	<b>2,17,80,531</b>	Permanent	B.Com., ACA, MBA & 40 years	01 August, 2009	64	Chairman & Managing Director – Rane Engine Valve Limited	8.47%*	Brother of Mr. L Lakshman
Mr. R Venkatanarayanan	President - Corporate Services	<b>96,46,123</b>	Permanent	B.Sc., PG Dip. in Social Science, MHRM, CIPM & 33.1 years	17 March, 2007	57	General Manager – Human Resource, Rane Brake Lining Limited	-	-
Mr. Siva Chandrasekaran	Executive Vice President - Secretarial & Legal and Secretary	<b>58,03,764</b>	Permanent	B.Sc, ACS PGDCA & 29 years	01 July, 2005	54	Deputy General Manager – Secretarial Services, Rane Brake Lining Limited.	0.008%*	-
Mr. S Varadharajan	Executive Vice President - Information Systems	<b>44,34,576</b>	Permanent	BE & 27.6 years	01 April, 2006	49	Senior Manager – ERP, Rane TRW Steering Systems Pvt Limited	-	-
Mr. V Ramasubramanian	General Manager - Human Resource	<b>38,08,326</b>	Permanent	B.Com, MSW, MHRM & 17.9 years	15 March, 2013	42	Associate Director – Talent Attraction Crisisl Limited	-	-
Mr. J Ananth	<b>Vice President- Finance &amp; CFO</b>	<b>37,66,101</b>	Permanent	B.Sc., ACMA, ACA, ACS & 20.4 years	17 January, 2013	45	Deputy General Manager – Finance, Rane TRW Steering Systems Pvt Limited	-	-



Name	Designation	Remuneration (Amount in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. S. Gangadhar	Deputy General Manager - Business Development	31,04,882	Permanent	B. Tech. (Mechanical), PGDM & 17 years	21 March, 2013	41	Manager – Cognizant Technology Solutions Limited	-	-
Mr. M. Senthil Kumar	Deputy General Manager - Information Technology	26,87,365	Permanent	B. Com., M.Com., CWA-I, PGDFM, DCA., RDBMS, DRDBMS, Diploma (Visual Basic & Oracle), ADCST, MCA, PGDCA, CISM & 27 years	02 September, 1992	49	Trainee – Rane (Madras) Limited	-	-
Mr. S. Prasad	Senior Manager- Chairman's Office	26,04,481	Permanent	BE (Computer Science), PGPM & 15 years	16 September, 2015	36	Associate Member – Crisil India	-	-
Mr. Ashfaq Ahmed Kunjan	General Manager – Information Technology	23,93,646	Permanent	B.Com, PGDBA, ICWA & 27 years	11 November, 2016	50	Senior Member – Diligent Tech India	-	-

\* includes joint holdings and HUF, if any

2. Employed throughout the financial year with remuneration not less than ₹ 1.02 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**
3. Employees whose remuneration was not less than ₹ 8.50 lakhs p.m (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above) : **NIL**
4. Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): **NIL**

# Customer Awards



## Rane Group

Customer	Category
Mahindra	Business Partner of the year - Automotive Division



## Rane Engine Valve

Customer	Category
Hyundai	Appreciation Award
Renault Nissan	Best practices in process capability improvement



## Rane (Madras)

Customer	Category
Maruti Suzuki	Special Support & System Audit Award
SML Isuzu	New Product Development Award



## Rane Brake Lining

Customer	Category
Endurance Technologies	'Gold' award for Quality
Foundation Brake	Business Excellence Award



## Rane TRW Steering Systems

Customer	Category
Isuzu	Top 5 Best Supplier
Tata Motors	Best in Class Award
General Motors	Quality Award



## Rane NSK Steering Systems

Customer	Category
Volvo Eicher	Karta Award
Maruti Suzuki	Special Service Award
Honda Cars	Best CO <sub>2</sub> reduction



Expanding Horizons

## Rane Holdings Limited

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