Rane Holdings Limited
83rd Annual Report 2018-19

Driven by **determination.** Progressing with **optimism.**

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Forward-looking statements

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

Follow us and join the conversation

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Numbers in 2018-19

₹ 5,369 Crores

12%

Total Income

₹ 1,275 Crores

8%

Net Worth

₹ 300 Crores

Capex Committed

Our Products Portfolio

- Steering and Suspension Systems
- Friction Materials
- Valve Train Components
- Occupant Safety Systems
- Aluminium Diecast Components
- Aftermarket Products
- Connected Mobility Solutions

Our eight-decade long journey, transitioning gradually from a distribution company to a manufacturing one, has been about embracing the opportunities and enduring the challenges of changing times.

The year 2018-19 was no different. After a period of buoyancy, demand suddenly turned sluggish in the latter half and we witnessed inflationary pressure on material cost; a few of our businesses were also not performing optimally.

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

We remain optimistic about the opportunities in the auto components industry and structural trends remain positive in the long term. We are working closely with customers to develop innovative solutions and embrace the technological changes in the industry. We are determined to grow and enhance value for our stakeholders, supported by our business excellence programme, dynamic team and disciplined financial architecture.

We are driven by determination and progressing with optimism.

Rane Holdings at a Glance

Founded in 1929 with its headquarters in Chennai, Rane Holdings Limited was engaged in trading in automobile and automotive parts. We commenced manufacturing operations and marketing of automotive components in 1959 and over the years, have grown to become a preferred supplier to major OEMs in India and abroad. Through our group companies, we manufacture steering and suspension systems, friction materials, valve train components, occupant safety systems, die-casting products and connected mobility solutions. Our products serve a range of automobile segments, including passenger vehicles, commercial vehicles, farm tractors, two-wheelers, three-wheelers, railways and stationary engines. We have modern, state-of-the-art manufacturing facilities across 25 locations in India and one in USA with our products being sold in 30+ countries.

Our vision

To maintain market leadership and achieve sales of ₹ 7,000 Crores by 2021-22

Our 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 Footprint

30+
Serve customers
in 30+ countries

26
Manufacturing locations across
India and USA

Customer Locations · Manufacturing Locations · Sales Offices

Business Structure

RANE GROUP

Business	Companies		
Steering and Suspension Systems	Rane (Madras) Ltd. Steering & Linkages Division	Rane TRW Steering Systems Pvt. Ltd. Steering Gear Division	Rane NSK Steering Systems Pvt. Ltd.
Friction Materials	Rane Brake Lining Ltd.		
Valve Train Components	Rane Engine Valve Ltd.		
Occupant Safety Systems	Rane TRW Steering Systems Pvt. Ltd. Occupant Safety Division		
Aluminium Die-Cast Components	Rane Precision Die-Casting Inc.	Rane (Madras) Ltd. Die-Casting Division	
Aftermarket Products	Rane Auto Parts		
Connected Mobility Solutions	Rane t4u Pvt. Ltd.		

Holding Structure

Promoters

Rane Holdings Ltd. (RHL) 46%

Subsidiaries

- **Rane (Madras) Ltd. (RML) 62%**
  - Rane (Madras) International Holdings B.V., (RMIH) The Netherlands 100%
    - Rane Precision Die Casting Inc.* (RPDC) 100%
- **Rane Engine Valve Ltd. (REVL) 55%**
- **Rane Brake Lining Ltd. (RBL) 46%**
- Rane t4u Pvt. Ltd. (Rane t4u) 70%
- Rane Holdings America Inc. (RHAI), USA 100%
- Rane Holdings Europe GmbH (RHEG), Germany 100%

Joint Ventures

- Rane TRW Steering Systems Pvt. Ltd. (RTSS) 50%
- Rane NSK Steering Systems Pvt. Ltd. (RNSS) 49%

Listed

Share holding as on 31 March 2019

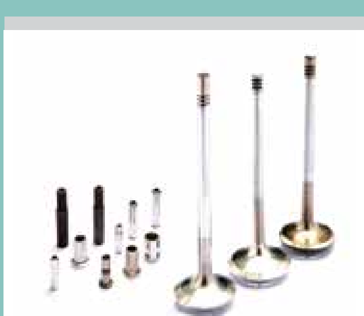
* In FY16, Rane (Madras) Ltd. acquired Rane Precision Die-Casting Inc., the US based aluminium die-castings company through its Wholly-Owned Subsidiary Rane (Madras) International Holdings B.V, The Netherlands.

Product Portfolio

Manual Steering, Linkage & Hydraulic Products

Hydraulic Power Steering Systems

Friction Material Products



Valve Train Components

Occupant Safety Systems

Electric Power Steering Systems

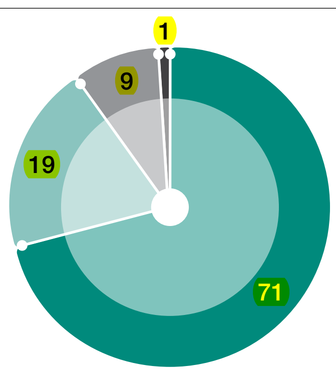
Die-Casting Products

Connected Mobility Solution

Key Customers

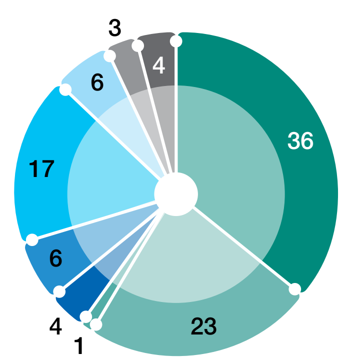
Revenue Split (Total Income ₹ 5,369.41 Crores)

By market (%)



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

By vehicle segment (%)



- Passenger car
- MUV
- MPV
- SCV
- LCV
- M & HCV
- FT
- Two-Wheeler
- Others

Our Report Card

Standalone Financial Highlights

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Total Income	128.49	97.09	98.81	75.85	59.94	53.50	57.73	63.91	48.42	45.14
EBITDA	90.96	62.40	66.94	46.29	33.99	29.16	34.49	41.05	46.76	30.08
Profit Before Tax (PBT)	87.49	58.79	62.75	42.90	32.68	27.95	32.53	38.11	43.14	27.39
Profit After Tax (PAT)	76.36	48.79	49.80	35.65	25.92	21.73	25.95	34.25	40.03	25.13

KEY PERFORMANCE HIGHLIGHTS

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
RoCE (%)	20.89	15.77	18.79	14.70	11.81	10.60	12.97	15.89	18.74	13.12
RoNW (%)	18.79	13.34	15.20	12.17	9.38	8.24	10.32	14.54	18.54	12.86
Earnings Per Share (₹)	53.48	34.17	34.88	24.97	18.16	15.22	18.17	23.99	28.04	17.60
Dividend (%) @	190	145	85	100	75	65	80	100	125	80
Dividend payout ratio@	49	51	51	48	50	50	51	48	52	52
Book Value per Share (₹)	301.87	267.33	244.98	212.14	198.25	188.75	180.81	171.50	158.35	144.04

BALANCE SHEET HIGHLIGHTS^

(₹ in Crores)

FINANCIAL YEAR	FY 19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11
Equity Share Capital	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28
Shareholders' Funds	431.01	381.69	349.77	302.90	283.06	269.49	258.16	244.87	226.09
Non-Current Liabilities	13.99	19.15	8.45	22.40	0.64	0.84	2.65	4.11	14.58
Current Liabilities	16.34	16.45	13.67	12.23	18.47	16.93	14.25	22.06	23.82
Non-Current Assets	445.00	394.38	306.38	320.74	280.92	273.17	267.38	264.33	249.36
Current Assets	16.34	22.91	65.51	16.78	21.25	14.09	7.68	6.71	15.13

Note:

1.Figures for FY19, FY18 and FY17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.

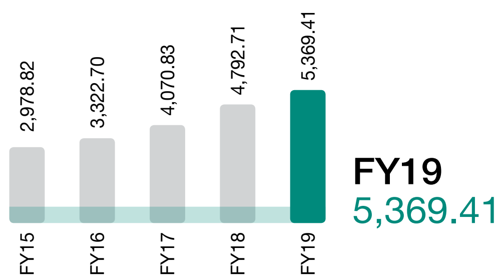
2.EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

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

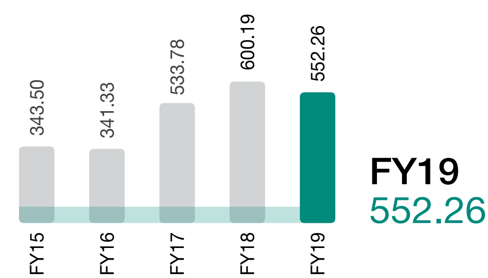
(@) Includes final dividend, if any, recommended by the Board for the respective financial years.
Dividend payout is calculated on profits excluding one off & exceptional income, if any.

Rane Group Aggregate

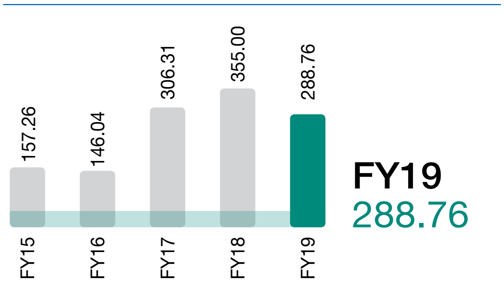
Total Income* (₹ in Crores)



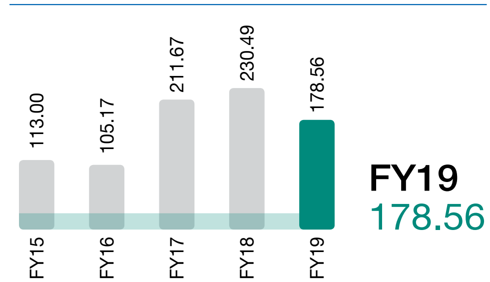
EBITDA (₹ in Crores)



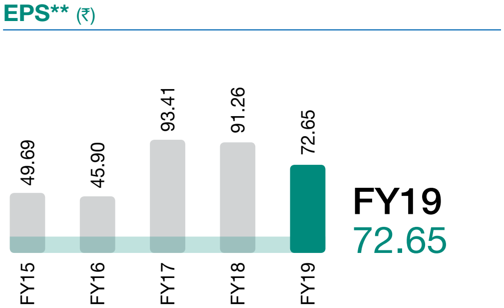
PBT (₹ in Crores)



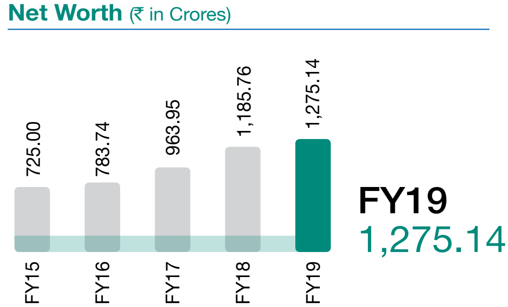
PAT (₹ in Crores)



EPS** (₹)



Net Worth (₹ in Crores)



(*) Total Income are net of excise duty

(**) Basic EPS for RHL on Consolidated basis

Business Highlights, FY 2018-19

1. Aggregate group sales crossed ₹5,000 crore mark this year

2. Inaugurated a new facility for Occupant Safety Products at Trichy

3. Inaugurated a new facility for Electric Power Steering (EPS) at Ahmedabad

4. Rane NSK became 5th group company to win the prestigious quality award Deming Prize 2018

5. Continued to engage in various lean measures and implemented strategic savings initiatives on power, sourcing, etc. at the group level

Driven by determination.

The year under review spanned out in two distinct halves. In the first half, we were riding upon the growth momentum from the previous fiscal. We expanded our businesses, added manufacturing footprints and achieved favourable sales growth. We also undertook several internal initiatives to enhance operational efficiencies to mitigate inflationary pressures on raw material and people costs.

In the second half, the sector faced a slowdown. Sales growth slowed and consumer sentiments muted. We immediately adapted to this slowdown by implementing cost reduction initiatives across our businesses and focussing upon enhancing our customer connect. These initiatives helped in stabilising revenues and managing the cost better.

We have always strived towards outperforming the industry and become the preferred manufacturer and supplier for auto majors. We believe that our resolute determination is our truest wisdom which has enabled us to build our brand equity and reach where we are today. Our perseverance and the attitude of never giving up is evident from our performance in FY 2018-19. Amidst the sluggish market growth and dampening consumer sentiments, we continued to pave our path of growth, undeterred.

In the fiscal under review, we undertook various decisions and though some of them are taking longer than anticipated to bear stated results, we believe we are on the right direction. We are determined to turnaround the performance of Rane Engine Valve and Rane Precision Die-Casting, which was acquired in 2016 to set our manufacturing footprint in the US and increase international revenues. We also committed around ₹ 300 Crores capex on the back of booked business and won awards in multiple categories. On the back of these measures, our aggregate revenues crossed a milestone figure of ₹ 5,000 Crores and we were able to maintain our leadership position in the industry.

One word influenced our responsiveness in the face of a challenging sectoral scenario in 2018-19 - Determination.

"

Some succeed because they are destined to, but most succeed because they are determined to.

-Henry Van Dyke

We were driven by determination.

12%
Growth in Total Income

₹ 300 Crores
Capex committed in 2018-19

We managed to achieve all this because we were driven.

Driven towards achieving accelerated profitable growth.

Driven towards adding value to our customers.

Driven towards bringing in cost efficiencies in our manufacturing operations.

Driven towards building value-add products and focussing continuously on R&D.

Progressing with optimism.

Operational excellence and prudent conservatism have been the two principles which have shaped our growth for the last two decades. This approach has ensured that our growth is steady and dependable rather than being rapid and uncertain. We build resilience through tough times and stay focused on enhancing efficiency, achieving cost rationalisation and exploring new avenues for growth.

Guided by this philosophy, we have put various measures in place to deliver accelerated profitable growth. In the mega trends such as connected, autonomous and electric vehicles shaping up the automotive segment, we continue to remain relevant with safety-critical nature of our products and value proposition to our customers.

From a long term perspective, the Indian auto component industry is well positioned to grow, driven by factors such as favourable demographics, growing economy and low automobile penetration. We believe we are preparing to capitalise on emerging opportunities expected on the back of technology changes, customer preferences and rising exports from India.

One word defines our outlook for the future - **Optimism.**

The nation's automobile sector is a major GDP contributor, FDI earner and an employment creator. For every vehicle that is produced, various direct and indirect employment opportunities are generated. The current structural reforms are creating a favourable environment for the industry through initiatives such as 'Make in India', renewed emphasis on improving road infrastructure and impetus on electric and hybrid vehicles to name a few.

The Indian automotive industry is also supported by our nation's advantage factors such as the availability of skilled labour at low cost and robust R&D centres. All these efforts are setting the stage for a robust future for the automobile industry in India. We are poised to take advantage of these opportunities, confident of our competencies.

"

A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.

-Winston Churchill

We are optimistic that we will be able to use to our advantage our global presence to grow revenues.

We are optimistic that our strong customer connect and enriching relationships with clients will empower us to gain more business.

We are optimistic that through our efficient R&D capabilities we will be able to provide value add solutions for our customers.

We are optimistic that our people practices will help our employees acquire new skills, re-skill and re-orient to handle accelerated rate of change on technologies and business models.

And we are optimistic that our highest standards of ethics and quality will help us in maintaining our leadership in the market.

Environment Social and Governance (ESG) Practices

Rane Group is focussed on creating long-term sustainable value for its stakeholders. In the process, the group has evolved its sustainability, social and governance practices even before it became a mandate by the Government for companies to include ESG practices in their daily business operations.

Environmental

Rane Group, besides executing their regular business operations, also has the objective of minimising harmful impact (arising out of these operations) on the environment. Hence, it has adopted and will remain committed to exercising relevant sustainability practices. The Group's existing 26 manufacturing plants maintain highest environmental standards stricter than the Government's prescribed levels to continuously reduce industrial waste and pollutants.

The group's environmental concern translates into initiatives in the use of renewable energy, water conservation & harvesting and solid waste management. There is continuous endeavour to reduce carbon footprint and build energy efficient green buildings, a testimony to this is the Rane Institute for Employee Development, a LEED Silver certified Green Building.

The Group's innovative product designing is done keeping in mind, not only the customer's expectations but its after-effects on the environment and natural resources as well. Henceforth, the focus is on developing light weight, fuel efficient products made of eco-friendly material, so as to remain in accordance with the Group's aim of achieving sustainable economic growth.

The Group ensures optimum use of resources (energy, water, raw material, etc.) and practices in adherence with the Principle of 3Rs, i.e. Reduce, Recycle and Re-use.

Reduce

- Reduction of energy usage by identifying energy efficient operations, energy efficient machines, usage of LED lights, etc.
- Steps are in place to reduce the material content on the product by way of weight reduction activities (as part of VA/VE).

Recycle

- The Group sends 100% of machine boring and heavy melting scrap for recycling. Aluminium boring scrap are re-melted and used in making of ingots. End bits arising out of random length tubes and bars are converted into base raw material for another product.
- Recycled water from sewage treatment plant is used for maintenance of greenery within the plant.

Re-use

- Returnable packaging is being used extensively to conserve resources on distribution
- Reusable Pallets and biodegradable material are being used for packing

28 lakhs kwh
Energy saved in FY 2018-19

40,000 kilo litres
Water recycled in FY 2018-19

Social

Rane Group's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The group's major CSR activities are channelled through Rane Foundation, a Public Charitable Trust founded in the year 1967, and is the main arm for Rane Group's CSR initiatives. 'Community First' has been a founding principle of the Rane Foundation. The Group constantly strives to promote and engage in activities that help strengthen and contribute to the enrichment of society. The focus areas have been education, healthcare, environment and community development with the final objective being to:

- Create better access to quality education.
- Improve access to quality healthcare for the needy ones.
- Engage and / or help non-profit organisations to serve towards development of community and restore communities after disaster strikes.
- Adopt measures to protect the environment and conserve natural resources.

Rane Polytechnic Technical Campus
- Established in Sethurapatti village, Trichy district in 2011
- NBA accredited course
- Created employment opportunities for over 800 students, representing 85% placement record

Rane Vidyalaya
- Established CBSE school in Theerampalayam village, Trichy district in 2018
- Caters to the need of providing quality wholesome education to rural children
- Around 250 students in the second academic year 2019-20

The philosophy is driven by 'Affirmative Action'. Hundreds of employees of the Group (past as well as present) have shouldered the responsibility by investing time and effort to working alongside, for communication, planning and implementation of projects. The team engages with schools, hospitals, Self Help Groups (SHGs) and NGOs to identify worthy causes and develop plans for execution across regions. The Group believes that it has been successful in effectively touching the lives of many, in its own small ways.

Importantly, the Group has a federal structure to handle CSR projects properly. In addition to contributing to Rane Foundation, the group companies contribute to improving the quality of life for the local communities as well. The Group's initiatives empower its employees to identify the needs of local communities in their locations, volunteer for such initiatives and make a difference.

Governance

Rane Group strongly believes in remaining committed to effective corporate governance measures and maintaining the highest ethical standards while carrying out business operations. The organisation is driven by strong values and wants to maintain its relationship of trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance, by exercising its commitment towards values, integrity, equity, transparency, fairness, disclosure and accountability.

The Group has made all efforts to instil, throughout the organisation, a culture in which the highest standards of ethical behaviour, individual accountability and transparent disclosures are given utmost priority in all the business transactions and also propagated by its Board of Directors, management and employees. Well established systems and procedures are in place to ensure that the Board of Directors are in a position to fulfil their roles and responsibilities and to provide the management with the appropriate direction needed to cater to the requirement of the Group's stakeholders.

Rane Group believes in conducting the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour. The Rane Group has established Ethical Standards of Behaviour that guides the employees in professional conduct and has set-up a vigil mechanism including 'Rane Whistle Blower Policy' for reporting unethical practices which are in violation of the code of conduct of the Group, thus enabling the enquiry process and swiftly responding to the disclosure.

The Group has a well-structured procedures for monitoring the risks and implementing risk mitigation measures. The internal audit process identifies risks, which are presented to the Audit Committee every quarter. The risk ratings are revalidated with the top management as part of the quarterly internal audit process. The overall re-assessment of risks at the Group level is carried out and reviewed by the Board of Directors once in every two years.

Rane Group believes that its strong foundation of transparency, governance and ethics create value for the Group and its stakeholders. The group's ESG practices help in nurturing sustainable environment, socially responsible citizens and building trust among various stakeholders.

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 leading the Group for nearly two and a half decades, he retired as Executive Chairman. He continues to be on the Board in a Non-Executive capacity, providing guidance.

Mr. L Ganesh
Chairman and Managing Director

Mr. L Ganesh is a Chartered Accountant and an MBA from the Pennsylvania State University, USA. One of the acknowledged leaders in the auto component industry, he has 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 began his career as a Management Trainee in Rane Engine Valves Limited (REVL) in 1979 and gradually handled various responsibilities as Vice Chairman and Managing Director. He 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. Currently, he is Honorary Consul for New Zealand in South India.

Mr. Harish Lakshman
Vice Chairman

Mr. Harish Lakshman has 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. Before joining the Rane Group, he worked with TRW Automotive Inc. in USA for two years. He joined the Rane Group in 1998 and since then has held different positions in the areas of marketing, operations and export business development. He is currently the Vice Chairman of the Company. At present, he is spearheading the Groups initiative to achieve an accelerated profitable growth.

Mr. Anjanikumar Choudhari
Independent Director

Mr.Anjanikumar Choudhari is a Mathematics and Statistics graduate and holds a master's degree in Management Studies from Jamnalal 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 IIM- 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 the Mahindra group, he worked for 25 years with Hindustan Unilever Ltd. He is the founder President of the Shanghai Indian Business Association that was founded in 1996.
Mr. Choudhari retired from the board of the Company recently on May 27, 2019.

Dr. (Ms.) Sheela Bhide
Independent Director

Dr. (Ms.) Sheela Bhide is a, Retd. IAS Officer and holdes doctorate in International Trade from the Institute of International Studies, Geneva; a master's degree in Economics from George Mason University, USA and a master's degree in Public Administration from John F. Kennedy School of Government, Harvard University, USA. Currently, she is the Senior Adviser to the EU-funded project on 'Sustainable Development of Foundry Clusters in India' being implemented by the Foundation for MSME Clusters, Delhi and the Chairperson of Suryoday Small Finance Bank Ltd. She also serves as an Independent Director on the Board of L&T Metro Rail (Hyderabad) Ltd., Gati-Kintetsu Express Private Ltd. and Gati Ltd.

Dr. V Sumantran
Independent Director

Dr. V Sumantran holds a master's degree and Ph.D. in Aerospace Engineering (from Princeton University and VirginiaTech) and a master's degree in Management of Technology. He is an alumnus of IIT-Madras, and a Fellow of SAE International and a Fellow of the Indian National Academy of Engineers. He has over 32 years experience. Currently, he is the Managing Director of Celeris Technologies and an advisor to several leading Fortune-100 organisations in automobile, industrial equipment, defence and aerospace sectors. He is an adjunct Professor at MIT-MISI and a distinguished visiting Professor at IIT-Madras and an Independent Director on the Board of UCAL Fuel Systems Ltd. TVS Electronics Limited and a director on board of Automotive Infotronics Limited.

Mr. Rajeev Gupta
Independent Director

Mr. Rajeev Gupta has a bachelor's degree in Technology from IIT-BHU (Varanasi) and a master's in Business Administration from IIM-Ahmedabad. 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.
He is currently the Chairman and Independent Director of Vardhman Special Steels Limited and a Whole-time Director of Arpwood Capital Private Limited, a boutique investment banking and advisory firm. He is also a Director in various other public limited companies, including T.V. Today Network, Cosmo Films, VIP Industries, EIH Limited, and United Spirits Limited.

From the Chairman and Managing Director's Desk

Dear Shareholders,

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

Economy overview

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

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

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

Strong thrust on growth

Despite the loss of growth momentum in second half of the year, I'm happy to report that group aggregate sales crossed ₹ 5,000 Crores milestone. Our group aggregate sales grew 12% in FY19 and CAGR growth of 15.5% over past 10 years. This came with our Group companies strengthening market position in India and expanding international business. We spent ₹ 300 Crores on capex, the highest in our history, to open two new manufacturing facilities – electric power steering manufacturing facility in Ahmedabad for Rane NSK Steering Systems and Occupant safety products at Trichy for Rane TRW Steering Systems, add capacity for hydraulic steering products in the commercial vehicle space and increase capacity for valve train components, among others.

Relentless pursuit of excellence

Rane NSK Steering Systems became the fifth group company to win the prestigious Deming Award, which testified to our operational excellence. Our group companies continued to pursue various lean measures to improve productivity and strategic initiatives to save operational costs.

Driven by determination

At Rane Group, the goal to achieve sustainable growth and profitability remains our priority and we are pursuing various strategies inline to achieve this aspiration. We are aggressively defending and improving our market share in India with innovative products and delighting customers.

To increase the international share of revenues, we established our first global manufacturing footprint in 2016 through acquisition of Rane Precision Die-Casting Inc. (RPDC). Notwithstanding the efforts, RPDC continues to face challenges in its pursuit to become profitable. RPDC secured new businesses to ensure Sales growth. We still see a lot of scope for operational improvements and undertaking several initiatives including deputing some senior managers from Rane Group.

Our turnaround strategy for Rane Engine Valve Limited is progressing according to plan. We refurbished old machines and equipment to improve process capability and availability and are proactively exploring non-automotive markets and strengthening customer engagements. Initiatives were also taken to enhance skills of operators and key resources in the shop floor by us. We augmented corporate and plant management teams to improve the operational performance. There has been good improvement in capacity utilisation.

At Rane Group, the goal to achieve sustainable growth and profitability remains our priority and we are pursuing various strategies inline to achieve this aspiration.

At Rane Group, we focus on long term value creation. In the past, we have seen prolonged phase of low demand and losses in few of our businesses. However those businesses have turned around and come back strongly to deliver value in the long term. I would like to assure you that our best efforts are on to revive these two businesses.

Investing in People

At Rane, we believe people are our most critical asset. During the year, we focussed on functional and leadership capacity enhancement through various interventions. In recognition of our employee engagement initiatives, the Great Place to Work institute awarded the Great Place to Work certification to our group companies, RBL and RML, for the second consecutive year.

Enabling Social Change Agents

We continued to progress well on our endeavour ‘to be socially and environmentally responsible corporate citizen’. This year has been a notable year for us at Rane Foundation as we embarked on the next major project, Rane Vidyalaya, school established in June 2018 in Trichy to provide quality education to rural children. The first Rane Pioneer of Change Award, to identify and bring into limelight grass-root level organisations and individuals from Tamil Nadu who have excelled as social change leaders, was presented.

Progressing with Optimism

The first half of FY 20 appears challenging with slowing demand in most of the vehicle segments. The anticipated pre-buy on account of transition to BS VI, normal monsoon, the government’s continued reforms and infrastructure push are likely to propel growth of the Indian economy and its automotive industry in the medium-to-long term. Connected and Electric vehicle related technologies are likely to provide further opportunities.

We will continue to invest in R&D and drive innovations to build value-add products. We will also leverage the global product portfolio of our JV partner to introduce new technologies in India and tap into opportunities to supply in export markets. We are exploring Industry 4.0 technologies to drive next level of operational improvements in the shop floor.

We are progressing with optimism on long term market opportunities and determined to continue our pursuit of excellence in operations to create value for all our stakeholders.

On behalf of the Board of Rane Holdings Limited, I would like to thank all our stakeholders – Customers, Employees, Partners, Vendors, Bankers, Government, Communities and most importantly you – our shareholders, who have been part of this exciting journey.

Yours sincerely,
L Ganesh
Chairman and Managing Director

Interaction with the Vice Chairman

With strengthening of our business share among customers and strong operational performance, I am happy to report that we have better managed the loss of momentum in the industry growth with resilience and determination and are looking at the future with renewed but a careful sense of optimism.

Q: How did FY 2018-19 pan out for the Company?

A: It was a challenging year for us. We had exited the year before on a strong note. We faced significant headwinds from higher raw materials and manpower costs at the beginning of the year, but we have successfully navigated the adverse environment with our strong operational performance and cost control measures. Demand for our products was robust, and we were generating adequate sales. However, in the second half, we suddenly started experiencing softening of demand across most vehicle segments in India. The inflationary pressure on commodities remained amid volatile exchange rate movements. Changes in regulations and the liquidity squeeze at NBFCs also weighed heavily on consumer sentiment.

Q: Were you happy with the Company's performance despite these challenges?

A: I would say, I was. This was the year when our abilities were truly tested, and we were able to prove to our stakeholders the resilience of our fundamentals. There were few things which we could have managed better, but that's a statement in hindsight.

Q: What were some of the things that went well during the year?

A: We strengthened our position across product lines. We also expanded our share of business with our customers. Another major milestone was the expansion of our facilities. We set up an electric steering plant at Gujarat to serve customers in that region, and a seat belt and airbag facility at Trichy to address the expected market demand and to localise laser cutting of fabrics and airbag cushion manufacturing. We continued our efforts towards enhancing our overseas presence and revenue from exports. One of our group companies, Rane NSK Steering Systems Private Limited became 5th group company to win the Deming prize.

Q: Could you talk about your performance in terms of numbers?

A: In terms of numbers, we achieved a major milestone of ₹ 5,370 Crores of revenue at a Group level which was a growth of 12% over FY 2017-18. We did considerably well in the overseas markets and our exports revenue grew by 18%. We registered 11% growth in sales to Indian OE customers. This was supported by the increased share of business and supplies to new models. We experienced 12% growth (comparable basis) in sales to the Indian aftermarket segment owing to the successful introduction of new parts for passenger cars. Due to inflationary pressure on raw materials and provision towards product warranty claim, our EBITDA margin contracted 158 basis points on a group aggregate basis to 10.3%.

Q: How do you think the industry space is evolving?

A: The industry offers tremendous growth potential. India, which has emerged as an attractive manufacturing destination, has also become a prominent auto exporter with strong growth prospects. Due to intense competition, we are witnessing increased focus on cost reductions and localisations. Technology is a major industry driver, with the players increasingly focussing on light weighting, fuel efficiency, emission control and safety standards. The availability of skilled labour at low cost, robust R&D centres and low-cost steel are also supportive.

Connected Mobility and Electrification are being seriously being pursued by OEMs in India. In manufacturing, Industry 4.0 related technologies, analytics are being put to use. We believe this will bring next level of operational improvements.

Q: What are some of the initiatives that the government is taking to drive the automobile sector?

A: A key agenda of the Indian government has been to boost the nation's infrastructure and enhance the rural economy. These measures bode well for the automobile sector

Harish Lakshman

We achieved a major milestone of ₹ 5,370 Crores of revenue at a Group level which was a growth of 12% over FY 2017-18.

and should boost demand in the emerging rural markets. The GST has had a far-reaching effect on the logistics sector, as the abolition of state-level VAT check-posts has reduced truck turnaround time. Also, due to increased compliance, there has been a gradual shift towards large, organised auto component manufacturers, which has improved the overall supply chain. The government's higher allocation on Faster Adoption and Manufacturing of Electric & Hybrid Vehicles (FAME II) is a welcome move towards the scalability of green mobility in the country.

Q: What is the reason for your optimism?

A: With the changing market condition and continued support from the government, the Indian auto sector is ready to grow further. We need to stay on top of the short-term pressures and focus on long-term goals. In addition to growth offered by India market, global automotive industry presents huge opportunity and our Company is well positioned to capitalise.

Q: What is the big message that you want to communicate to your stakeholders?

A: I want to assure all our stakeholders that we are on track to achieve our goals and progressing with optimism towards them. We will continue to drive excellence in our operations and deliver superior products to our customers through our agile manufacturing processes and scalable facilities. Our customers look on us as a trusted partner offering shorter development lead times and we will continue providing system-level solutions based on the needs of our customers.

We have been certified as a 'Great Workplace' in the small and mid-sized organisations category by the Great Place to Work institute. Our Company as an employer, encourage learning, provides exposure to challenging projects and enhances career opportunities.

Though FY 2019-20 has begun slow, we continue to focus on long-term value and on delivering favourable returns to our shareholders.

Awards and Accolades

Customer Awards	Group Company	Award Category
ASHOK LEYLAND	Rane TRW Steering Systems Pvt. Ltd.	Best Performance in Business Alignment-Gold Award
Brakes India Private Limited	Rane Brake Lining Ltd.	Best Supplier 2019-Friction
TMTL	Rane Engine Valve Ltd.	Commitment to Quality Award
MARUTI SUZUKI	Rane NSK Steering Systems Pvt. Ltd.	Efforts in Vendor Import Localisation
nexteer AUTOMOTIVE a leader in intuitive motion control	Rane Precision Die Casting Inc.	Perfect Quality for 2018
RENAULT	Rane Engine Valve Ltd.	Quality & Customer Satisfaction Award
SML ISUZU	Rane TRW Steering Systems Pvt. Ltd.	New Product Development Award
TAFE	Rane Engine Valve Ltd.	Commitment to Quality
TAFE	Rane (Madras) Ltd.	Best Supplier & Benchmark Award
TATA	Rane TRW Steering Systems Pvt. Ltd	Efficiency Award
VE COMMERCIAL VEHICLES	Rane TRW Steering Systems Pvt. Ltd.	Best Supplier in New Product Development
VE COMMERCIAL VEHICLES	Rane (Madras) Ltd.	New Product Development
VE COMMERCIAL VEHICLES	Rane Engine Valve Ltd.	Quality & Delivery Excellence

Corporate Information

Board Committees

Audit Committee
Dr. V Sumantran, Chairman
Mr. L Ganesh
Mr. Rajeev Gupta
Dr. (Ms.) Sheela Bhide

Stakeholders' Relationship Committee
Mr. L Lakshman, Chairman
Mr. L Ganesh
Dr. (Ms.) Sheela Bhide

Nomination and Remuneration Committee
Dr. V Sumantran, Chairman
Mr. L Lakshman
Mr. Pradip Kumar Bishnoi *
**proposed*

Corporate Social Responsibility Committee
Mr. L Lakshman, Chairman
Mr. L Ganesh
Dr. (Ms.) Sheela Bhide

President – Corporate Services
Mr. R Venkatanarayanan

President – Finance and Group CFO
Dr. P A Padmanabhan

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", 7th 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 - 600 004
YES Bank Limited, Chennai - 600 034
Citibank N A, Chennai - 600 002
Indian Bank, Chennai – 600 006
Federal Bank Ltd, Chennai 600 002

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Fax : +91 44 2811 2449
Email: investorservices@ranegroup.com
Website: www.ranegroup.com

Registrar and Share Transfer Agents

Integrated Registry Management Services Private Ltd.,
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No. 1, Ramakrishna Street,
North Usman Road,
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Fax : +91-44-28142479
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Website : www.integratedindia.in

Management Discussion and Analysis

1. Company Overview

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 provides 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 25 locations in India and one in the USA, Rane Group's products are sold across 30+ countries.

2. Economic Review

2.1 Global Economy

Global economic growth started on a strong note fuelled partly by US tax cuts and the rising demand for imports. However, as the year progressed, the momentum faded and growth started to wane owing to increasing interest rates, trade frictions and the imposition of import tariffs, which hurt economic activity worldwide. According to the estimates of the International Monetary Fund (IMF), global growth is estimated to have slightly tapered down to 3.7% in 2018 and is expected to decline further to 3.5% in 2019, amid weakening sentiment in the global financial markets and further erosion of business and consumer confidence.

2.2 Indian Economy

According to estimates provided by Central Statistics Office (CSO), India's economy grew at a 6.8% in FY19, lower than 7.2% in the previous fiscal. This slowdown has been attributed to slow rural consumption demand, lapses in the manufacturing sector, agricultural distress and unemployment. Tighter financial conditions owing to disruption in the Non-banking Financial Company (NBFC) sector, higher oil prices, adverse terms of trade and lower growth in partner countries continue to be major overhang. Slowdown in growth combined with declining inflation has provided policy makers with room for softening of interest rates to stimulate growth in the economy. As per the IMF, Indian economy is expected to expand to 7.1% in FY20, benefitting from structural reforms and softening interest rates.

3. Automobile Industry

3.1 Global Automobile Industry

The US auto industry ended 2018 with sales of 17.3 million new vehicles, recording a 0.3% increase over 2017. While interest rates are rising and used-vehicle supplies are growing, new-vehicle sales continue to be supported by light-truck demand, employment gains, healthy economic growth and lower fuel prices. Generous discounts and steady economic growth further fuelled new-vehicle sales throughout the year. There is a clear shift in car buyers' preferences from traditional sedans to SUVs and trucks driven by lower fuel prices. Global economic slowdown, ongoing tariff wars, impact of new vehicle technologies, and the preferences of the millennial and Gen Z consumers will determine the course of future demand. According to the Centre for Automotive Research (CAR), total industry sales in 2019 is forecast to decline to 16.8-17 million units.

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

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

3.2 Indian Automobile Industry

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

The PV segment experienced muted growth of 0.1% owing to a slowdown in the market. With the continued shift of preference from Passenger Cars (PC) to Utility Vehicles (UV) by the end users, the UV segment grew by 0.5% whereas the PC segment declined by 1.3%.

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

Farm tractors experienced a growth of 11.3% as the farm sentiments remained healthy led by higher farm output, better crop prices and government interventions in the run-up to the 2019 general elections. However, lack of financing due to liquidity constraints in the lending sector and decline in crop area proved to be dampener in Q4 of FY19.

Two-wheeler volume grew by 5.8% supported by rural demand and strong momentum in export markets.

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

Vehicle Segment	Production Volume Growth (%)	
	FY19	FY18
Passenger Cars (PC)	(1.3)	1.3
Multi-Utility Vehicles (MUV)	0.5	20.2
Multi-Purpose Vans (MPV)	20.6	0.3
Passenger Vehicles (PV)	0.1	5.8
Small Commercial Vehicles (SCV)	39.7	26.8
Light Commercial Vehicles (LCV)	12.4	14.0
Medium & Heavy Commercial Vehicles (M&HCV)	28.4	2.7
Commercial Vehicles (CV)	24.1	11.2
Farm Tractors (FT)	11.3	14.4
Two-wheelers	5.8	16.2

Source: Society of Indian Automobile Manufacturers (SIAM)

3.3 Indian Automotive Aftermarket Industry

The Indian automotive aftermarket, estimated at ₹ 70,000 Crores in FY19, is projected to grow at a CAGR of 8.5% to reach ₹ 98,000 Crores by 2022-23, according to ACMA. The key growth drivers for the Indian aftermarket include increasing vehicle parc, enhanced average life of vehicles with improvement in road infrastructure and the increasing exports. The favourable automotive aftermarket landscape presents opportunities across the industry value chain. OEMs seek active participation in the Original Equipment Spares (OES) business, which is likely to pressurise component players. Further, as the future vehicles become more complex owing to increasing electronic content, it presents challenges to the aftermarket industry, which would need to accordingly adjust and upgrade to meet the upcoming challenges.

3.4 Indian Auto Component Industry

The Indian auto component industry is well positioned for growth on the back of robust domestic demand, increasing export opportunities, world-class engineering capabilities and cost effectiveness from a long-term perspective. Demand for auto components is expected to remain healthy on account of pre-buying of cheaper BS IV vehicles before the BS VI standard gets implemented in April 2020. Adoption of electric vehicles globally is expected to generate tremendous opportunities for the auto component industry. The industry is expected to continue the growth momentum amid increasing localisation by OEMs, higher component content per vehicle driven by safety, light weighting and rising exports from India.

4. Business Review

4.1 Rane Holdings Limited (RHL)

Operational Highlights

- The Group companies continued their growth trajectory, with the aggregate group sales crossing the ₹ 5,000 crore mark this year.

- Committed ~₹ 300 crore capex across Group companies on the back of booked business and expected market growth.
- Continued to engage in various lean measures to improve productivity and reduce manpower.
- Implemented strategic savings initiatives on power, sourcing, etc. at the group level.
- RHL increased its holding across subsidiaries – Rane (Madras) Limited (RML), Rane Engine Valve Limited (REVL) and Rane Brake Lining Limited (RBL).

Financial Highlights

Standalone Financial Highlights

- Total Net Revenue was ₹ 128.49 Crores for FY19 as compared to ₹ 97.09 Crores in FY18, an increase of 32%.
  - Operating revenue increased from ₹ 95.56 Crores in FY18 to ₹ 115.95 Crores in FY19 due to higher dividend income and trademark fee from Group companies.
  - Other income increased from ₹ 1.53 Crores in FY18 to ₹ 12.54 Crores in FY19. There was a one-off income of ₹ 11.64 Crores during FY19 on account of divestment of our shareholding in JMA Rane Marketing Limited.
- EBITDA stood at ₹ 90.96 Crores as compared to ₹ 62.40 Crores during FY18, an increase of 46%.
- Net profit (PAT) stood at ₹ 76.36 Crores for FY19 as compared to ₹ 48.79 Crores in FY18.

Consolidated Financial Highlights

- Total Net Revenue was ₹ 2,570.29 Crores for FY19 as compared to ₹ 2,312.09 Crores in FY18, an increase of 11%.
- EBITDA stood at ₹ 250.91 Crores as compared to ₹ 256.48 Crores during FY18, recording a decrease of 2%.
- Net profit (PAT) stood at ₹ 103.73 Crores for FY19 as compared to ₹ 130.29 Crores in FY18.

4.2 Subsidiary Companies

4.2.1 Rane (Madras) Limited (RML)

Operational Highlights

- The plants and the supply chain responded well to the fluctuating demand for steering products.
- There was a strong traction for hydraulic business, which grew 50%.

- The R&D facilities were upgraded both at Chennai and Puducherry to meet the increased product performance requirements.
- Won the following awards from customers:
  - Quality Award from Maruti Suzuki India Ltd.
  - Best supplier award from TAFE
  - Best supplier award from Mahindra Swaraj
- The die casting business sales witnessed significant decline over last year on lower demand of served model and closure of some plants of the end customer in North America. The operational performance continued to improve and will remain the focus area for FY20

Rane Precision Die-Casting Inc. (RPDC)

RPDC continues to face challenges in its pursuit to turn profitable. During FY19, there were few setbacks as the business incurred higher cost on utilities, unexpected machine downtime resulting in increased production costs and higher repairs and tooling maintenance. Further, the lack of expected volume and inability to flex the cost extended the loss further.

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

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

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

Financial Highlights

Standalone Financial Highlights

- Total net revenue was ₹ 1,380.82 Crores for FY19 as compared to ₹ 1,219.60 Crores in FY18, an increase of 13%.
- 13% growth in the Indian market - This growth was supported by the increasing share of business in existing models and also due to supply for new models with OE customers.
- 9% growth in the Aftermarket business owing to the successful introduction of new parts in the PC range.
- 13% growth in the exports market – The steering and linkages business grew significantly, which was partially offset by a decline in the die casting business.
- EBITDA stood ₹ 151.74 Crores as compared to ₹ 139.50 Crores during FY18, garnering an increase of 9%.
- Net profit (PAT) stood at ₹ 47.24 Crores as compared to ₹ 41.82 Crores in FY18.

Consolidated Financial Highlights

- Total net revenue was ₹ 1,564.57 Crores for FY19 as compared to ₹ 1,408.70 Crores in FY18, an increase of 11%.
- EBITDA stood at ₹ 125.87 Crores as compared to ₹ 134.88 Crores during FY18, a decrease of 7%.
- Net profit (PAT) stood at ₹ 2.42 Crores for FY19 as compared to ₹ 24.22 Crores in FY18.

4.2.2 Rane Engine Valve Limited (REVL)

Operational Highlights

- Proactive R&D engagement with customers and alignment of technology road map
- Continued to improve productivity and quality during the year; capacity utilisation improved by 600 bps during the year.
- Continued the good performance on external quality with customer line rejection level sustaining less than 10 parts per million for major automotive OE customers.
- Won the following awards from the customer:
  - Quality & Delivery Excellence award from VE Power Train
  - 'Commitment to Quality' awarded to Tumkur plant by Eicher Engines (a unit of TAFE Motors & Tractors Ltd.).
  - Won award on 'Q' Marshal Competition conducted by Hyundai Motor India.

Financial Highlights

- Total net revenue was ₹ 424.86 Crores for FY19 as compared to ₹ 377.00 Crores in FY18, recording an increase of 13% .
- 8% growth in the Indian market:
  - Sales to OE customers grew 7% helped by improved deliveries to Two-wheeler and PC segments and new product launches in the UV segment.
  - Sales to the Aftermarket segment grew 12% .
- 24% growth in the Exports market supported by ramp up in volumes to European OE customers.
- EBITDA stood at ₹ 19.92 Crores as compared to ₹15.46 Crores during FY18, an increase of 29%.
- Net loss stood at ₹ 13.57 Crores for FY19 as compared to ₹ 17.06 Crores in FY18.

4.2.3 Rane Brake Lining Limited (RBL)

Operational Highlights

- Enhanced Aftermarket dealer network and introduced various new products in Aftermarket.
- Created capacity for the Two-wheeler segment at the Puducherry plant with focus on quality enhancement and automation.
- Enhanced formulation library with new formulations to cope up with specific customer demands.
- Added 2 MW additional solar power to cater to the requirements of the plants in Tamil Nadu.
- RBL became a Great Place to Work certified company for the third consecutive year.

Financial Highlights

- Total net revenue was ₹ 520.97 Crores for FY19 as compared to ₹ 487.20 Crores in FY18, recording an increase of 7%.
  - Domestic OE sales registered a growth of 7% mainly supported by growth in brake linings.
  - The Aftermarket business reported 8% growth.
- EBITDA stood at ₹ 74.87 Crores as compared to ₹ 80.40 Crores during FY18, witnessing a decrease of 7%.
- Net profit (PAT) stood at ₹ 36.53 Crores for FY19 as compared to ₹ 35.75 Crores in FY18.

4.2.4 Rane t4u Private Limited

Operational Highlights

- Ramped up business with existing customers and also secured new business through strategic partnerships

- Continued to focus on providing value-added services through customised software developments for enterprise customers.

Financial Highlights

- Total net revenue was ₹ 24.30 Crores for FY19 as compared to ₹ 8.70 Crores for seven months period ending March 2018.
- EBITDA stood negative at ₹ 4.00 Crores as compared to negative of ₹ 5.40 Crores for seven months period ending March 2018.
- Net loss stood at ₹ 5.10 Crores for FY19 as compared to ₹ 6.02 Crores for seven months YTD ending March 2018.

4.3 Joint Ventures

4.3.1 Rane TRW Steering Systems Private Limited (RTSS)

Operational Highlights

- Capacity enhancement of a Fully Integral Gear has been completed.
- Inaugurated a new facility for Occupant Safety Division at Trichy and commenced commercial production.
- Successfully launched various platforms of seat belt & airbag and successfully added new technology, viz., side airbag, into the product portfolio.
- Installed cushion laser cutting as part of backward integration for cost competitiveness.
- Won the following customer awards:
  - Overall Supplier Efficiency award from Tata Motors.
  - Best Supplier Award for NPD lead time in proprietary category from Volvo Eicher Commercial Vehicles.
  - New product development award from SML – ISUZU.
  - Certificate of appreciation from Ashok Leyland for overall performance in quality and delivery.

Financial Highlights

- Total net revenue was ₹ 1,392.27 Crores for FY19 as compared to ₹ 1,151.01 Crores in FY18, recording an increase of 21%.
- EBITDA stood at ₹ 181.33 Crores as compared to ₹ 148.20 Crores during FY18, recording an increase of 22%.
- Net profit (PAT) stood at ₹ 88.58 Crores for FY19 as compared to ₹ 72.06 Crores in FY18.

4.3.2 Rane NSK Steering Systems Private Limited (RNSS)

Operational Highlights

- Inaugurated a new facility for Electric Power Steering (EPS) at Ahmedabad, Gujarat to serve customers in the region.
- Won the highly prestigious quality award Deming Prize 2018 presented by the Union of Japanese Scientists and Engineers (JUSE).
- Won ‘Efforts in Vendor Import Localisation’ award from Maruti Suzuki India Ltd.

Financial Highlights

- Total net revenue was ₹ 1,410.60 Crores for FY19 as compared to ₹ 1,298.77 Crores in FY18, recording an increase of 9%.
- EBITDA stood at ₹ 153.81 Crores as compared to ₹ 192.94 Crores during FY18, witnessing a decrease of 20%.
- Net profit (PAT) stood at ₹ 68.85 Crores for FY19 as compared to ₹ 119.45 Crores in FY18.

4.4 Opportunities and Threats

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

The main threats facing the auto component industry are:

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

4.5 Outlook

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

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

5. Risk Management

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

Risk	Nature of Risk	Risk Mitigation Strategies
Strategic		
Industry/ Market Risk	80% of revenue is derived from the Indian automotive sector. Hence, any drop in vehicle production will have a significant impact on the Company's business	The Company constantly strives to: a) Increase revenue from international markets (outside of India) b) Add new products to increase organic revenue and diversify customers across vehicle segments c) Improve presence in the Aftermarket segment, which presents an opportunity to compensate for any drop in the OE segment.
Technology Obsolescence Risk	Auto industry and customer preference undergo changes, resulting in technology obsolescence	The Company has consistently delivered cutting-edge technology products with enhanced R&D capabilities, localisation of testing and validation capabilities. Proactive engagement with customers at an early stage helps the Company to capture and work on the new technology development.
Competition	Maintaining market share in the competitive market and availability of unorganised players pose further challenge	The Company's long-standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer surveys to understand customer feedback and work in furthering its relationship with the customers.
Operational		
Quality / Processes	Quality and delivery are sacrosanct for the safety-critical products supplied by the Group	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help the Company mitigate quality and delivery risks.
People Risk	Attrition of key personnel could impact business operations and growth	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports in building functional capabilities and developing a strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent.
Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin	The Company constantly strives to mitigate the input cost increases by: a) Implementing a procurement function that will work on cost-reduction initiatives through alternate sourcing, localisation, etc. b) Negotiating and passing through input cost, which increases suitably to the customers c) Working on process improvements, yield improvements, etc.
Financial		
Currency Risk	Exposed to foreign currency exchange risk as we export our products to various countries and import raw materials	The Company uses a multi-pronged approach as suitable to the scenarios. This approach includes: a) Optimally balancing the import and export to create natural hedge b) Working with customer to index prices to mitigate currency fluctuations c) Taking simple forwards on a rolling basis to protect its export realisation and import payments.
Interest Rate Risk	Use of borrowings to fund expansion exposes the Company to interest rate risk	The Company manages interest rate risk on the following basis: a) Maintaining optimal debt-equity levels b) Using internal accruals to fund expansion c) Constantly optimising working capital to reduce interest costs.

6. Human Resource Development and Industrial Relations

6.1 Talent Transformation Initiatives

In FY19, the Company focused on functional and leadership capacity enhancement through the following initiatives:

- 40 employees completed the Rane Manufacturing Systems Professional Programme (RMSP), an 18-month intervention, with the objective to build manufacturing capability focusing on manufacturing processes and systems with a blended learning approach comprising gemba, classroom and online courses.
- The 'Supply chain as a Source of Competitive Advantage' initiative was rolled out in collaboration with IIM Bangalore to enhance the understanding of the best practices and recent developments for supply chain professionals.
- A programme for the Aftermarket team was organised to reimagine the focus on lead indicators, group synergy and integrated market intelligence.
- Lean Production System has been strengthened through the implementation of Cross Company Learning. To sustain the business excellence practices, select employees who are part of the high-potential leadership development track were trained as internal auditors for Rane Business Excellence AudiT (R-BEAT).
- Young Leadership Development (YLD) intervention was launched for first-time managers. 59 employees across Group companies are undergoing the intervention that has been designed to enhance their organisational, personal and team effectiveness and to impart leadership behaviours through experiential learning.
- The Company continued with the High Potential Leadership Development (HPLD) programme and 19 employees were identified for the fifth batch. They have undergone a development journey comprising development centre, experiential learning and customised management development programme 'TOP GEAR' at Great Lakes Institute of Management and pursued Action Learning Projects on business-specific challenges.
- A first of its kind programme called 'Leader as Coach' was introduced with the objective of developing leaders to become competent at employee development and engage in deeper conversations with the team to realise increased commitment towards business results. Leaders were provided inputs on cultivating appreciation of how change can happen and develop an understanding of the generic coaching skills and processes that are critical to address employee development.
- The senior management team went through a programme on 'Making an Informed Choice' to enhance the effectiveness of hiring decisions.

6.2 Employee Engagement

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

6.3 HR Technology

The HR digital platform continues to evolve at a rapid pace, creating new service delivery models in the distributed ecosystem. Some of them are:

- Employee Lifecycle Management – The onboarding application was launched to enable the new hires to capture the data, repopulate repetitive information in various forms and seamlessly transition data to Human Resource Management System, thus significantly enhancing the efficiency.

- Compensation & Benefits – Workflow was introduced to enable employees to include dependents, opt for enhanced sum insured by paying additional premium at competitive rates and track claims.

- The Company will implement a comprehensive learning management solution to design and deliver programmes and disseminate analytics on various learning and development initiatives.

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

6.4 Policy Initiatives

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

6.5 Industrial Relations

During the financial year, long-term wage settlements with the employee union were signed across various plants. The industrial relations were generally cordial in all the plants.

7. Corporate Social Responsibility (CSR)

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.

In FY20, the Group implemented several projects by primarily focusing on Education and Healthcare.

Rane Foundation, a public charitable trust founded in the year 1967, is the lead for implementing Rane Group's CSR initiatives. 'Community First' has been the founding principle of the Rane Foundation. We are continuously working to live our vision – 'To be a socially and environmentally responsible corporate citizen'. Our humble yet persistent effort over the years has touched thousands of lives and brought about a positive change in the society in the areas of Education, Healthcare, Environment and Community Development. The practice of 'Charity by Cheque' has been substituted with 'Affirmative Action'.

Our Group companies contribute to various sustainability initiatives to improve the quality of life for the local communities. All our 25 manufacturing plants maintain the highest standards in continuously reducing industrial waste and pollutants. Our employees volunteer their time, management expertise and execution skills to help make life better for the society. We constantly strive to promote and engage in activities that help strengthen and contribute to the enrichment of the society.

7.1 Education

7.1.1 Rane Polytechnic Technical Campus (RPTC)

RPTC, established in Trichy in 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 its Diploma in Mechanical Engineering programme in 2017. Over the last five batches, 1,085 students have completed their diploma programme. In the current year, 191 students completed their diploma programme. Over 90% of the students gained employment through campus placements. A state-level inter-collegiate technical symposium, Rane Polytechnic - Vaibhav 2k19, was conducted during the year, which had wide participation from polytechnic colleges across the state. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

7.1.2 Rane Vidyalaya (RV)

RV was established in June 2018 at Theerampalayam, Manachannallur Taluk, Tiruchirappalli District with a mission of providing quality education for rural children. The school began functioning from the academic year 2018-19 with classes from Nursery to Class II and follows the CBSE curriculum. In the year 2019-20, RV will extend admissions for up to Class V and will progressively grow to become a higher secondary school.

With the vision 'Academic Excellence and Good Citizenship', RV believes in child-centric education achieved through individual focus, child-friendly atmosphere, hands-on teaching methodology and focus on learning outcomes. Providing conducive learning environment, developing well-qualified teachers and support staff for the continuous improvement of the institution and recognising the diversity of talents among the children by promoting extracurricular activities are the goals of RV.

Our green campus with well-ventilated classrooms and excellent infrastructure provide the ideal environment for children to learn and grow. The state-of-the-art computer lab, tab lab and audio-visual room help students explore concepts on their own and keep pace with emerging trends. Our hands-on teaching-learning materials enable students to practically apply what they learn in class, thereby fostering conceptual understanding. Our specially trained teachers and child-friendly staff strive to achieve learning outcomes for every child in a meaningful manner. We encourage multiple talents in students through extra-curricular activities and sports. Learning at RV is not limited to ensuring academic excellence alone, but also lays equal emphasis on inculcating values among students for character building and personality development. Our endeavour is to bring out the best in each child and provide for quality wholesome education.

7.2 Healthcare and Community Development

Rane has been actively involved in relief work when disasters have struck in different parts of the country. A significant contribution was made towards the Kerala floods and Gaja cyclone that struck the Delta region of Tamil Nadu. We have also been a consistent supporter of the mobility aids provided by Freedom Trust to the persons with special needs in rural India. We have supported children with hearing aids who are studying in The WORTH Transitional School — a special school for children with speech and hearing challenge. Taking part in the security initiatives of Chennai Police, we helped in installing CCTV cameras at the vantage points of busy areas in Chennai.

7.3 Rane Pioneer of Change Award

The inaugural edition of the Rane Pioneer of Change Award was presented to V-Excel Educational Trust (V-Excel). Started in 2001, V-Excel provides lifespan services for persons with special needs

Rane Pioneer of Change Award was instituted as part of Shri L L Narayan (LLN) memorial initiatives during LLN's centenary function. The award was instituted by Rane Foundation to identify and bring into limelight the grass-root level organisations and individuals from Tamil Nadu who have excelled as social change leaders.

8. Information Technology (IT)

Rane Data Centre continues to evolve in improving its service delivery of IT infrastructure, application development and information security across Group companies. During the year, an e-way bill portal was integrated with the ERP system to generate the e-way bill automatically. Multiple business process enhancement projects were completed to improve the system.

We are embracing Industry 4.0 technologies to reshape the operations in shop floor. Select projects were identified and executed as part of Proof of Concept (PoC) to gain further insights on overall equipment effectiveness by connecting the legacy machines through IoT sensors, analysing process data to enhance the KPIs and reducing the downtime caused by unplanned events. We plan to complete horizontal deployment of the PoCs in few more plants and drive the Industry 4.0 initiatives.

Further, as part of digitising the workflows, a safety application was launched to capture the various incidents and a new order management system was introduced in the Aftermarket business.

The Information Security Management System has been strengthened by implementing various data protection measures. RML, RBL, Rane TRW Steering Systems Private Limited (RTSS) and Rane NSK Steering Systems Private Limited (RNSS) were certified as ISO 27001.

9. Internal Control Systems

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

The internal audit function is outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board, in consultation with the internal auditor, statutory auditor and operating management, approve the annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meetings for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures the robustness of the internal control system and compliance with laws and regulations, including resource utilisation and system efficacy.

Report of the Board of Directors

Your Directors take the pleasure in presenting the Eighty Third Annual Report together with the accounts for the year ended March 31, 2019

1. State of Company's affairs

1.1. Financial Performance

Investment profile of your company is across the various Group companies engaged / serving the automotive industry, as detailed below:

Sl. No.	Name of investee Company	Businesses	Ownership of your Company
Subsidiary Companies			
1	Rane (Madras) Limited (RML)	Steering gear products, steering and suspension linkages, Die-casting products. Other article of aluminium.	61.64%
	Stepdown Subsidiaries		
	a) Rane (Madras) International Holdings B.V., The Netherlands - (RMIH)	Holds strategic overseas investments	100.00%
	(i) Rane Precision Die Casting Inc. USA (RPDC)	High pressure aluminium die casting for automotive applications	100.00%
2	Rane Engine Valve Limited (REVL)	Engine valves, valve guides and tappets	54.82%
3	Rane Brake Lining Limited (RBL)	Brake linings, disc pads, clutch facing and clutch button	46.33%
4	Rane Holdings America Inc. USA (RHAI)	Providing business development services in North American region for Rane Group Companies	100.00%
5	Rane Holdings Europe GmbH, Germany (formerly Mainsee 1038. V V GmbH) (RHEG)	Providing business development and other related support services for Rane group companies in the European region	100.00%
6	Rane t4u Private Limited (Rane t4u) (formerly Telematics4u Services Private Limited)	Analytics and solutions to telematics service providers	69.41%
Joint Venture Companies			
7	Rane TRW Steering Systems Private Limited (RTSS)	Hydraulic steering gear, Hydraulic pumps, seat belt and Air Bags	50.0%
8	Rane NSK Steering Systems Private Limited (RNSS)	Manual steering columns and electric power steering.	49.0%

Dividend from investments, Trade mark fee out of 'RANE' trademark and Service fees, from Rane group companies are three mainstream incomes for the Company. The Company provides services in areas of Management Consultancy, Information Technology, Business Development and Human Resource trainings, which are unique and tailor-made to each of the Rane group companies in line with each subsidiaries vision and mission, business goals and operating models.

On long term strategic front, during the year, the Company divested its entire equity stake of 48.97% held in JMA Rane Marketing Limited, for a consideration of ₹12 crores in cash. Consequently, JMA Rane ceased to be a Joint Venture Company to RHL w.e.f. November 14, 2018. The Company has also withdrawn its Nominee directors on the board of JMA Rane effective from November 14, 2018.

The Company made further investments to the tune of ₹5.85 Crores in the form of Compulsorily Convertible Preference Shares (CCPS) in its subsidiary company Rane t4u Private Limited (Rt4u) towards supporting its expansion / growth plans and part of working capital requirements. As at the end of financial year March 31, 2019 the investment in CCPS of Rt4u stands at ₹24.35 Crores.

The convertible warrants held by the Company in Rane (Madras) Limited viz., 3,65,630, were due for exercise before March 2019. After a careful consideration of various factors including the objective of the preferential issue made by RML in 2017, pursuant to which these warrants were allotted to the Company, the board of Directors duly exercised these warrants in December 2018 at the warrant exercise price of ₹14.99 crores and converted 3,65,630 warrants into equivalent number of equity shares having a face value of ₹10/- each. These shares were allotted to the Company on December 28, 2018 resulting in an increase in shareholding of the Company in RML by 1.21% to 61.64%. There is no change in management or control of RML pursuant to this allotment.

As a part of the Company's strategic initiative to consolidate shareholding in the other subsidiaries, the Company acquired through stock market under block deal mechanism, equity shares representing 3.75% in equity capital of Rane Engine Valve Limited at a price of ₹454/- per share. During the year, the Company also made a creeping acquisition to the tune of 0.24% in the equity share capital of Rane Brake Lining Limited through open market purchases on stock exchanges. There is no change in management or control of these subsidiaries, during the year under review.

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

(₹ in Crore)

Particulars	2018-19	2017-18
Income	128.49	97.09
Profit before tax	87.49	58.79
Provision for tax	11.13	10.00
Profit after tax	76.36	48.79
Surplus brought forward	57.24	64.05
Total Comprehensive Income	76.89	48.67
Amount available for appropriation	89.69	57.24

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

The total standalone income of the company was ₹128.49 crores, which represents 32.35% growth over the previous year, contributed by higher trade mark fee and dividend income. There was also one off income of ₹11.64 crores from sale of investments in JMA Rane Marketing Limited during the current year. The Company netted a profit before tax of ₹87.49 crores, which is 68.09% of the turnover for FY 2018-19 and resulted in earnings per share of ₹53.48. for FY 2018-19 as against ₹34.17 for previous FY.

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

The Board of Directors declared and paid an interim dividend of 80% (i.e., ₹ 8.00 per equity share of ₹ 10/- each, fully paid-up) on February 27, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 19, 2019, being the Record Date fixed for this purpose.

An amount of ₹ 89.69 crores of the profit is available for appropriation. The Board has recommended a final dividend of 110% (i.e., ₹ 11/- per equity share of ₹ 10/- each, fully paid-up) for approval by the shareholders at the ensuing 83rd Annual General Meeting (AGM) scheduled to be held on August 08, 2019.

With that the total final dividend paid / payable for FY 2018-19 including the distribution tax and surcharge thereon would be ₹18,93,40,310. On declaration of final dividend by the shareholders, it will be paid on August 14, 2019 to all the eligible shareholders whose name appears in the register of members of the Company as on August 1, 2019 being the Record Date fixed for this purpose.

The Board has retained a sum of ₹ 57.24 crores as surplus in the Profit and Loss Account after transferring ₹ 38.73 crores to the general reserve.

1.3. Management Discussion & Analysis

The main business of your Company is to hold 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 unique 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

Consolidated Financial Statements are prepared as per the following methodology specified under applicable accounting standards:

(a) Subsidiary Companies – each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. Non-controlling interest 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 based on the audited financial statement of the subsidiary companies and joint-venture companies, for the year ended March 31, 2019.

The financial statements of the subsidiary companies are not attached in terms of the provisions of Section 136 of the Companies Act, 2013, as the salient features of financial statement of these subsidiary companies are disclosed in this annual report. The Company undertakes to make available a soft or hard copy of the 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. Annual accounts of the subsidiary companies have been made available in the website of the Company viz. https://www.ranegroup.com and is also made available 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 Statements of its subsidiary companies.

2. Board of Directors

2.1. Composition

The Corporate Governance Report given in **'Annexure D'** contains the composition of the Board of Directors of the Company.

There is no change in the composition of board of directors with reference to the previous year. The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company and available at http://ranegroup.com/ rhl_investors/ terms-conditions-appointment-id/

The Nomination and Remuneration Committee of the Board, at its meeting held on May 27, 2019 has recommended the appointment of Mr. Pradip Kumar Bishnoi (DIN: 00732640) as an Independent Director. The Board of Directors has taken into consideration the recommendations of NRC and has recommended the appointment of Mr. Pradip Kumar Bishnoi as an Non-Executive and Independent Director for a first term of five consecutive years at the ensuing Annual General Meeting.

Dr V Sumantran (DIN:02153989) was appointed as an Independent Director by the shareholders at the 80th AGM held on August 11, 2016 for a period of three years to hold office upto the 83rd AGM. The NRC at its meeting held on May 27, 2019 has recommended the re-appointment of Dr V Sumantran as an Independent Director of the Company for a second term of five consecutive years from conclusion of the ensuing 83rd AGM. The notice convening the 83rd AGM seeks approval of the members for his re-appointment as an Independent Director.

The Corporate Governance report annexed to this report contains necessary disclosures regarding the Director proposed for appointment / re-appointment at the ensuing 83rd AGM of the Company.

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

Mr. Anjanikumar Choudhari (DIN: 00234208) Independent Director, retired as per the retirement policy of the Company, with effect conclusion of the Board meeting held on May 27, 2019. Mr Anjanikumar Choudhari has made significant contributions to various strategic and operating decisions of the board since his association from October 2010, as an Independent Director on the board and has served two terms as Independent Director. The Board places on record its appreciation for the services rendered by Mr. Anjanikumar Choudhari during his association with the Company as an Independent Director. Consequently, he also ceases to be the Chairman of Audit Committee and Nomination and Remuneration Committee and Member of Corporate Social Responsibility Committee, effective from conclusion of board of directors meeting held on May 27, 2019. The re-constitution of the committee approved by the Board of Directors at meeting held on May 27, 2019 are detailed in the Corporate Governance Report annexed to this report.

2.2. Retirement by Rotation

Mr. L Lakshman (DIN: 00012554) is retiring by rotation at the ensuing 83rd AGM. Being eligible, he offers himself for re-appointment. The proposal for his re-appointment as a Director is included in the notice convening the 83rd AGM.

2.3. Board Meetings

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

2.4. Meeting of Independent Directors

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

3. Board and Management

3.1. Board Evaluation

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

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

a) Board structure and processes : Composition, appointment process, diversity, approach towards risk assessment, monitoring mechanism for any related party transactions, ethical standards and fairness in decision makings

b) Meetings and discussions: Adequacy, relevance of information, follow up actions, discussions and debate especially on critical and dissenting views, if any.

c) Board Information and functioning: Adequacy of time for strategic discussions, integrity of accounting and financial reporting systems and feedback of independent directors.

d) Board committee effectiveness: clarity of charter laid down, effectiveness of reports of the committees, its mandates and working procedures, its transparency and independency and contributions towards recommendations made to the board.

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

a) Group dynamics i.e., exhibiting positive behaviours, framing of constructive contents and staying engaged while expressing honest opinions.

b) Competency attributes like having sufficient understanding and knowledge of the Company and operating sector and fulfilling functions assigned to them by the board and governing laws ; and

c) Commitment in terms of exercising own judgement, voicing independent opinions and responsibility towards the Company and its success.

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

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

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

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

3.2. Familiarisation program for Independent Directors

The familiarisation program for Independent Directors and details of familiarisation program for independent Directors has been put up on the website and available at 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 within the meaning of Section 2(51) of the Companies Act, 2013. During the year, there was no change in the Key Managerial Personnel (KMP).

3.4. Remuneration Policy

The policy on appointment and remuneration of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) laid down by the Nomination and Remuneration Committee (NRC) of the Board is available on the website of the Company http://ranegroup.com/rhl_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/

In accordance with the said policy and approval obtained from the shareholders vide postal ballot passed on May 16, 2017, Mr. L Ganesh, Chairman and Managing Director is entitled to a commission up to 2% of the net profits of the Company for FY 2018-19.

Also, in terms of approval obtained from the shareholders vide postal ballot passed on May 16, 2017, Mr. L Lakshman, Chairman Emeritus is entitled to a commission of ₹1.00 crore for FY 2018-19 and advisory fee of ₹1.00 crore.

In addition to the approval already obtained from shareholders by way of a special resolution under Section 197 of the Companies Act, 2013 and the Rules made thereunder, specific approval of shareholders is sought again, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), for payment of commission and advisory fee to Mr. L Lakshman for the year 2019-20.

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

4. Audit

4.1. Audit Committee

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

4.2. Statutory Auditors

M/s. Deloitte Haskins and Sells (DHS) were re-appointed by the shareholders at the 80th AGM (AGM 2016), as Statutory Auditors of the Company for a second term of five consecutive years.

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

DHS has not reported any matter under Section 143(12) of the Companies Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013.

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

4.3. Cost Audit & Maintenance of Cost Records

Appointment of Cost auditor is not applicable to the Company under Companies (Cost Records and Audit) Rules, 2014. Further, the maintenance of cost records as prescribed under provisions of Sec 148(1) of the CA 2013 are not applicable for the business activities carried out by the Company.

4.4. Secretarial Auditors

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, are the Secretarial Auditors of the Company. The Secretarial Audit report given in '**Annexure B**' was taken on record by the Board of Directors at its meeting held on May 27, 2019. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report'), for FY 2018-19 issued by M/s. S Krishnamurthy & Co., the secretarial auditors of the Company, have confirmed compliance with securities law applicable to the Company and the same has been taken on record by the board of directors at their meeting held on May 27, 2019. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the board has approved filing of the same with the stock exchanges.

4.5. Internal Auditors

M/s. Capri Assurance and Advisory Servicies, a firm of independent assurance service professionals, continues to be the Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, 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.

The Internal Auditors report directly to the Audit Committee and the Audit Committee while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz internal audit structure, staffing and seniority of the officials proposed to be deployed etc. which are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

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

a) They have evaluated the internal control systems and risk management systems and reviewed the risk management systems and the management's process of identification and mitigation of risks and controls;

b) There were no significant findings requiring follow-up there on and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the audit committee/ board;

c) Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;

d) There were no deficiencies in the design or operation of internal controls;

e) There were no significant changes in the internal control over financial reporting during the year under review;

f) There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting and

g) The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

5. Directors' Responsibility Statement

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

a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;

b) they had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;

c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;

d) they had prepared the financial statements for the financial year on a 'going concern' basis;

e) they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and

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

6. Related Party Transactions

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

All Related Party Transactions are placed before the Audit Committee 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 as approved by the Board is uploaded on the Company's website at the link: http://ranegroup.com/rhl_investors/policy-on-related-party-transactions/

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

7. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: "To be socially and environmentally responsive organisation 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 attached '**Annexure C**' contains the annual report on CSR activities of the Company for FY 2018-19. The CSR policy of the Company is posted on our website at the link 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 of 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

Amount in ₹ Crores

Foreign Exchange	2018-19	2017-18
Earnings	0.38	0.71
Outgo	0.36	0.39

9. Particulars of Directors, Key Managerial Personnel and Employees

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

10. Corporate Governance Report

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

11. Business Responsibility Reporting

Business Responsibility Reporting for FY 2018-19 is annexed as '**Annexure F**' to this report.

12. Other Disclosures

a) Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

b) The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.

c) There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

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

e) The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at www.ranegroup.com and in '**Annexure E**' to this report.

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

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

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

i) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under in accordance with provisions of the Companies Act, 2013, as amended from time to time.

   No. of complaints received during the financial year – Nil

   No. of complaints disposed during the financial year – Nil

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

   There was no complaints reported during the year under review through this mechanism.

j) Electronic copies of the Annual report and the notice convening the 83rd Annual General meeting (AGM) would be sent to the members whose email address are registered with the Company or their respective Depository Participants. For members who have not registered their email address, physical copies of the Notice and Annual Report and would be sent in the permitted mode.

For and on behalf of the Board

L Ganesh
Chairman and Managing Director
DIN: 00012583

Harish Lakshman
Vice Chairman
DIN: 00012602

Chennai
May 27, 2019

Annexure A to the Report of Board of Directors

Form No. AOC -2

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

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2019, 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
b)	Nature of contracts/arrangements/transaction	Advisory services agreement
c)	Duration of the contracts/arrangements/transaction	4 years (with effect from April 1, 2017 to March 31, 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 provisions 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 March 31, 2017; and
		Members of the Company vide postal ballot dated May 16, 2017
		In addition to the approval already obtained from members by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder, for remuneration payable effective April 1, 2019, specific annual approval of members in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) is proposed at ensuing AGM as recommended by the board at its meeting held on May 27, 2019.
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Chennai
May 27, 2019

L Ganesh
Chairman and Managing Director
DIN: 00012583

Harish Lakshman
Vice Chairman
DIN: 00012602

Annexure B to the Report of the Board of Directors

Form No. MR-3

Secretarial Audit Report for the financial year ended March 31, 2019

[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 – 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE HOLDINGS LIMITED** ('the Company') **during the financial year from April 1, 2018 to March 31, 2019** ('the year'/ 'audit period'/'period under review').

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

We are issuing this report based on:

(i) Our examination / verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related action taken by the Company, during the year as well as after March 31, 2019, but before the issue of this report;

(ii) Certificates confirming compliance with all laws applicable to the Company, given by the directors / key managerial personnel of the Company, and noted by the Board of Directors;

(iii) Report regarding compliance with certain labour related laws given by the Internal Auditors and noted by the Audit Committee; and

(iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

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

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

1. Compliance with specific statutory provisions

We further report that:

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

(i) The Companies Act, 2013, and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.

(iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment and Overseas Direct Investment ('FEMA').

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');

(vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (‘Agreements’).

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

1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2019 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) Generally complied with the applicable provisions of the Act, Rules, Regulations and Agreements, mentioned in paragraph 1.1 (i) to (vi) above; and

(ii) Generally complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3), being non-mandatory has not been adopted by the Company. Secretarial Standards – 4 (SS-4) on 'Report of the Board of Directors' (nonmandatory) came into effect from October 1, 2018, after approval of the report of the Board of Directors for the financial year ended March 31, 2018; and hence compliance with same did not arise during the year.

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

(i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms or returns under:

(a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of External Commercial Borrowings;

(b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;

(c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

(e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations [‘SEBI ICDR’], 2009 (upto November 9, 2018) and the SEBI ICDR, 2018 (from November 10, 2018);

(f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and

(g) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

(ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board Processes

We further report that:

2.1 Board constitution and balance

(i) The constitution of the Board of directors of the Company during the year, was in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), and SEBI LODR.

(ii) As on March 31, 2019, the Board of Directors of the Company comprises of:

(a) 1 (one) Executive Director

(b) 2 (two) Non-Executive Non-Independent Directors; and

(c) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.

(iii) The processes relating to the following changes in the composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:

(a) Re-appointment of Mr. Harish Lakshman (DIN: 00012602) as a Director, upon retirement by rotation at the 82nd Annual General Meeting (AGM) held on August 2, 2018.

(b) Approval of the appointment of Mr. Rajeev Gupta (DIN: 00241501) as an Independent Director, at the 82nd AGM held on August 2, 2018, to hold office for a term of 5 (five) consecutive years from August 31, 2017 till the conclusion of the 86th AGM or August 1, 2022, whichever is earlier.

(c) Re-appointment of Dr. (Ms.) Sheela Bhide (DIN: 01843547) for a second term as an Independent Director, at the 82nd AGM held on August 2, 2018, to hold office for a period of 5 (five) consecutive years, upto the conclusion of the 87th AGM or August 1, 2023, whichever is earlier.

2.2 Board Meetings

(i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings.

(ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.

(iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings:

(a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and

(b) Additional subjects / information / presentations and supplementary notes.

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

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

(i) Majority decisions were carried through; and

(ii) No dissenting views were expressed by any Board member on any of the subject\ matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that, during the audit period, the following specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:

4.1 Investment in Rane (Madras) Limited (RML)

Acquisition by way of allotment, of 3,65,630 Equity shares of ₹10/- each fully paid-up (3.05%) in RML, a subsidiary company, on December 28, 2018, pursuant to exercise of the entire 3,65,630 warrants (convertible into equity shares) allotted to Rane Holdings Limited (RHL), on September 11, 2017 on preferential basis at a price of ₹547/- per share, and payment of the warrant exercise price of ₹14,99,99,707.50/- (being the entire balance 75% of the total issue price), resulting in a post-acquisition equity share holding of 61.64%.

4.2 Investment in Rane Engine Valve Limited (REVL)

Investment of ₹11.48 crores in REVL, a subsidiary company, by further acquisition of 2,52,000 Equity shares of ₹10/- each fully paid-up (3.75%) on September 28, 2018, at a price of ₹454/- per share, through block deal mechanism on BSE Limited, resulting in a post-acquisition equity share holding of 54.82%.

4.3 Investment in Rane Brake Lining Limited (RBL)

Investment of ₹1.01 crores in RBL, a subsidiary company, by further acquisition of 18,870 Equity shares of ₹10/- each fully paid-up (0.24%) through stock market purchase, resulting in a post-acquisition equity share holding of 46.33%.

4.4 Investment in Rane t4u Private Limited (Ranet4u)

Investment of ₹5.85 crores, through preferential allotment of 58,50,000 Compulsorily convertible preference shares (CCPS) of ₹10/- each, in Rane t4u, a subsidiary company.

4.5 Divestment of shareholding in JMA Rane Marketing Limited (JMA Rane)

Divestment of the entire holding of 3,60,003 Equity shares of ₹10/- each fully paid-up (48.97%) in JMA Rane, a joint venture between Jullundur Motor Agency

(Delhi) Limited (JMA) and Rane Holdings Limited (RHL), to JMA, for a consideration of ₹12 crores, pursuant to Agreement for sale dated November 14, 2018, consequent to which JMA Rane ceased to be a joint venture company of RHL, with effect from that date.

4.6 Investment in AutoTech Fund I, LP (AutoTech)

Further investment of USD 1,125,000 (₹8.41 crores) in AutoTech, towards share of capital contribution as one of the Limited Partners in the Fund.

4.7 Approval under Sections 185 and 186 of the Companies Act, 2013 ('the Act')

Approval accorded to the Board of directors, by way of special resolution passed under Sections 185 and 186 of the Act, at the 82nd AGM held on August 2, 2018, to give loan (including any loan represented by a book debt) or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company (in which any director is deemed to be interested) up to a sum not exceeding ₹200 crores at any point in time.

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

K Sriram
Partner

Chennai
May 27, 2019

Membership No: F6312
Certificate of Practice No: 2215

Annexure – A to Secretarial Audit Report of even date

To the Members of
Rane Holdings Limited
[CIN: L35999TN1936PLC002202]
“Maithri”, No.132, Cathedral Road, Chennai – 600 086.

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

1. The Company’s management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.

2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.

3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2019, but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law.

5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

6 We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.

7. We have obtained the Management’s representation about compliance of laws, rules and regulations and happening of events, wherever required.

8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

K Sriram
Partner

Chennai
May 27, 2019

Membership No: F6312
Certificate of Practice No: 2215

Annexure C to the Report of the Board of Directors

Annual Report on CSR activities

For financial year 2018-19

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

The Company's CSR vision is '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.

Overview of the projects implemented during 2018-19:

During the year, 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, 1087 students have completed their diploma program. In the current year, 188 students completed their diploma program. Over 90% of the students placed through campus interview. The institution endeavours to offer quality technical education and sustainable development of the rural youth.

Rane Foundation is embarking on its next major project, opening of school named 'Rane Vidyalaya' in Trichy. The school is opened with the idea to provide quality education to children in rural neighbourhood. The institution aims to provide conducive learning environment to children, develop well-qualified teachers and support staff for the continuous improvement, and recognise the diversity of talent amongst children by promoting extra-curricular activities. The school is situated 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.

The School began functioning from the academic year 2018-19 with classes from Nursery to Class II and it follows CBSE curriculum. Rane Vidyalaya is recognised by Directorate of School Education, Tamilnadu and has applied for affiliation with Central Board of Secondary Education (CBSE). It currently has a student strength of 200 as against a capacity of 240.

The company also supported through Karna Foundation towards providing training in special and inclusive schools in Science and Maths for Visually impaired children.

Healthcare

In the healthcare space, the Company extended support for the following initiatives:

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 Puthanatham, a Village near Manaparai, Tiruchirappalli District and mobility aids were distributed to 51 beneficiaries as part of this project.

To resource 50 bone marrow through e Jeevan Stem Cell Foundation in Chennai.

To create a resource base in regional language as a guide for skin care and bedsore prevention and healing through Ganga Trust.

To purchase neuromodulation equipment of high quality through Neurosciences India Group. The equipment will be fitted in Mobile therapy units that take integrated brain and mind care to the doorstep to provide free treatments to disabled and disadvantaged populations at various Institutions.

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

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

₹ in Crores

Particulars	2015-16	2016-17	2017-18
Net profit for the year (PAT)	35.65	49.86	48.79
Adjusted Net profit (as per Section 198)	43.14	36.89	59.56
Average Net profit		46.53	

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹93.07 Lakhs

5. Details of CSR spent during the financial year.

(a) **Total amount to be spent for the financial year:** ₹93.07 Lakhs

(b) **Amount unspent, if any:** Nil

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

(Amount ₹ Lakhs)

Sl. No.	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend - Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
1	Education	Support towards CSR initiatives of Rane Foundation including establishing of Rane Vidyalaya (School project)	Other - Trichy- Tami Nadu	104.46	104.46	104.46	Implementing Agency: Rane Foundation – 104.46
		Learning support for visually impaired Children	Local - Chennai – Tamil Nadu	1.00	1.00	105.46	Implementing Agency: Karna Vidyalaya – 1.00
2	Healthcare	Rehabilitation of handicapped & paraplegics	Other - Manapparai, Trichy, TN	3.18	3.18	108.64	Implementing Agency: Freedom Trust – 3.18
		Providing Hearing aids for hearing impaired children	Other - Katpadi, Vellore, TN	2.61	2.61	111.25	Implementing Agency: Worth Trust -2.61
		Resource bone marrow donors in different linguistic populations	Local - Chennai, TN	2.50	2.50	113.75	Implementing Agency: Jeevan Stem Cell Foundation – 2.50
		Awareness on the best practices in skin care to treat persons with spinal cord injury	Local - Chennai, TN	2.00	2.00	115.75	Implementing Agency: The Ganga Trust – 2.00
		Purchase of dedicated brain stimulator machine	Local - Chennai, TN	5.00	5.00	120.75	Implementing Agency: Neuro Sciences India Group – 5.00
3	Community Development	Flood relief measures in Kerala	Other - Kerala	2.32	2.25	123.00	Implementing Agency: Devi Sarees and Blue berry impex – 2.26
		Total		**123.07**	**123.00**	**123.00**	

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.

Chennai
May 27, 2019

L Lakshman
Chairman of the Committee
DIN: 00012554

L Ganesh
Chairman and Managing Director
DIN: 00012583

Annexure D to the Report of the Board of Directors

Corporate Governance Report

1. Philosophy on Code of Governance

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

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 at the date of this report, the Board consists of five (5) Non-Executive Directors and one (1) Executive Chairman, with majority (50%) being Independent Directors. There are no alternate directors on the board. The woman Director of the Company is an Independent Director. The composition of the board is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the board and the same as at end of FY 2018-19 is in conformity the Regulation 17 of SEBI LODR.

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

The Board met five (5) times during the FY 2018-19 on May 07, 2018, August 02, 2018, October 29, 2018; February 07, 2019 and March 26, 2019. The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee memberships / chairperson position(s) held by them in other public companies as on March 31, 2019 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (02 August, 2018)	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, Executive & Promoter	5	Yes	3	5	-	5
Mr. Harish Lakshman (00012602) $	Vice Chairman, Non-Executive & Promoter	5	Yes	1*	5*	1	2
Mr. Anjanikumar Choudhari ^ (00234208)	Non-Executive & Independent	3	Yes	-	-	-	-
Dr. V Sumantran (02153989)	Non-Executive & Independent	4	Yes	-	2	-	2
Dr. (Ms.) Sheela Bhide (01843547)	Non-Executive & Independent	4	No	1	3	1	3
Mr. Rajeev Gupta (00241501)	Non Executive & Independent	4	No	1	6	-	5

$ Board has recommended his appointment as Joint Managing Director, for a term of five years with effect from August 1, 2019, subject to approval of shareholders and accordingly, post shareholders approval, his directorship category would be 'Vice-Chairman, Executive & Promoter'

^ In view of his attaining the age of retirement as per policy of the Company, ceased to be a Director with effect from conclusion of May 27, 2019.

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

* Includes Chairpersonship & Directorship held in a deemed public company

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

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

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Managing Director and Promoter
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman, Non-Executive & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Mr. L Lakshman	Rane (Madras) Limited	Non-Executive & Promoter
	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Non-Executive & Promoter
	SRF Limited	Non-Executive & Independent
	D C M Limited	Non-Executive & Independent
Dr. (Ms.) Sheela Bhide	Suryoday Small Finance Bank Limited	Non-Executive & Independent
	Gati Limited	Non-Executive & Independent
Dr. V Sumantran	UCAL Fuel Systems Limited	Non-Executive & Independent
	TVS Electronics Limited	Non-Executive & Independent
Mr. Rajeev Gupta	Vardhman Special Steels Limited	Chairman, Non-Executive & Independent
	EIH Limited	Non-Executive & Independent
	Cosmo Films Limited	Non-Executive & Independent
	T.V. Today Network Limited	Non-Executive & Independent
	V I P Industries Limited	Non-Executive & Independent
	United Spirits Limited	Non-Executive & Independent
Mr. Anjanikumar Choudhari	-	-

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

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

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

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

The board of directors at its meeting held on May 27, 2019 approved resignation of Mr. Anjanikumar Choudhari as an Independent Director as per the retirement policy of the Company, effective from the conclusion of the meeting of board of directors held on May 27, 2019.

The board of directors at its meeting held on May 27, 2019 recommended to the shareholders appointment of Mr. Pradip Kumar Bishnoi (DIN: 00732640) as an Independent Director effective from the ensuing 83rd Annual General Meeting (AGM), in terms of Section 149 of the Companies Act,

2013. His appointment was considered by the board as per the recommendations of Nomination and Remuneration Committee. He has over 43 years of rich experience and insights into industries like steel, natural gas, industrial packaging, lubricants etc. He is also an Independent Director on the board of Rane (Madras) Limited, a subsidiary of the Company since October 24, 2016. The general information section of this report carries detailed information about the director and the notice convening the 83rd AGM inter-alia includes his detailed profile.

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

The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the link: http://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-directors/

Skills, expertise and competence of the board

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

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

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

The brief profiles of directors forming part of this Annual Report give an insight into the education, expertise, skills and experience of the directors on the board.

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

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year May 07, 2018, August 02, 2018, October 29, 2018 and February 07, 2019. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings attended
Dr. V Sumantran #	Chairman, Non-Executive & Independent	3
Mr. Anjanikumar Choudhari @	Member, Non Executive & Independent	2
Mr. L Ganesh	Member, Executive & Promoter	4
^ Dr. (Mrs.) Sheela Bhide*	Member, Non-Executive & Independent	3
Mr. Rajeev Gupta ^^	Member, Non-Executive & Independent	NA

appointed as a Chairman of the Committee w.e.f. February 07, 2019

@ ceased to be a member upon retirement as a director effective conclusion of meeting of board of directors held on May 27, 2019.

^ inducted as a member only for the meeting(s) held on May 07, 2018 and October 29, 2018.

* inducted as a member of the Committee w.e.f. February 07, 2019.

^^ inducted as a member of the Committee w.e.f conclusion of the meeting of board of directors held on May 27, 2019

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

The Statutory Auditors and the Internal Auditors were present as invitees in all the meetings. The President – Finance, 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.

The Chairman of the Audit Committee was present at the last AGM of the Company held on August 02, 2018.

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.

During the year, the Board of Directors amended the terms of reference of the Committee in line with the newly introduced provisions in SEBI LODR, effective April 1, 2019 and 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
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company
- Utilisation of loans and/ or advances from/investment by the company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on April 1, 2019

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

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

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

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

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

4. Nomination and Remuneration Committee

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 two (2) times during the year May 07, 2018 and August 02, 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	1
Dr. V Sumantran	Member, Non-Executive & Independent	2
Mr. Harish Lakshman*	Member, Non-Executive & Promoter	2
Mr. Pradip Kumar Bishnoi ^	Member, Non-Executive & Independent	NA
Mr. L Lakshman**	Member, Non-Executive & Promoter	NA

@ ceased to be a Chairperson / member upon retirement as a director effective conclusion of meeting of board of directors held on May 27, 2019.

* Ceased to be a member of the Committee w.e.f conclusion of the meeting of board of directors held on May 27, 2019

^ Co-opted as a member of the Committee w.e.f August 8, 2019, subject to his appointment as Independent Director at ensuing 83rd AGM

**Appointed as member of Committee by way of reconstitution of the NRC committee, effective on May 27,2019

During the year, the Board of Directors aligned the terms of reference of the Committee with the newly introduced provisions in SEBI LODR, effective April 1, 2019.

Terms of Reference:

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

During the year, the NRC inter alia,

- Reviewed the process for evaluation of the Board, its Committee & Directors and the compensation and benefits of senior management personnel (SMP) and Key Managerial Personnel (KMP) of the Company.
- Recommended payment of commission not exceeding 2% of net profits to Mr. L Ganesh, Chairman for the FY 2017-18. took on record the commission paid to Mr. L Lakshman, Chairman Emeritus for the FY 2017-18.
- Recommended the re-appointment of Dr. (Ms.) Sheela Bhide as Independent Director in her second term at the 82nd AGM.
- Recommended to the board appointment of Mr. P A Padmanabhan as President - Finance and Group CFO, effective August 17, 2018 in accordance with the policy on appointment and remuneration of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).

In accordance with the said policy and approval accorded by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder Mr. L Lakshman, Chairman Emeritus and Mr. L Ganesh, Chairman and Managing Director are entitled to commission on net profits for the FY 2018-19 calculated as per Section 198 of the Companies Act, 2013. The Company has paid a sum of ₹100 Lakhs/- during the FY 2018-19, on a monthly basis, as commission to Mr. L Lakshman. The same represents 1.27% of the net profits for FY 2018-19. In accordance with shareholders approval an advisory fees of ₹100 Lakhs /- has been paid to him during the FY 2018-19 and these payments have been taken on record by the board of directors at its meeting held on May 27, 2019.

In addition to the approval already accorded by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder, the newly introduced provisions under Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) being effective from April 1, 2019, requires approval of shareholders by special resolution every year in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors.

In the light of all non-executive directors being entitled to receive fees for attending meetings of the Board / Committee thereof, the payment of commission and advisory fees to Mr. L Lakshman, in addition to the sitting fees, would exceed fifty per cent of the total annual remuneration payable / paid to all non-executive directors. Therefore the payment of commission and advisory fees to Mr. L Lakshman on or after April 1, 2019 has been proposed for shareholders' approval under this new requirement under SEBI LODR at the ensuing 83rd Annual General Meeting of the Company.

Dr V Sumantran (DIN:02153989) was appointed as an Independent Director by the shareholders at the 80th AGM held on August 11, 2016 for a period of three years to hold office upto the 83rd AGM. The NRC at its meeting held on May 27, 2019 has recommended the re-appointment of Dr V Sumantran as an Independent Director of the Company for a second term of five consecutive years from conclusion of the ensuing 83rd AGM. The notice convening the 83rd AGM seeks approval of the members for his re-appointment as an Independent Director.

Also, at its meeting held on May 27, 2019, the Committee recommended to the board the appointment of Mr. Harish Lakshman, as Joint Managing Director, taking into his rich experience in automotive industry, in-depth technical expertise, qualification and immense contributions to the business and growth of the Company, for a period of five years, effective from August 1, 2019 to July 31, 2024. The board of directors at its meeting held on May 27, 2019, inter-alia, has recommended his appointment to the shareholders, at the ensuing 83rd AGM. The general information section of this report carries detailed information about the director and the notice convening the 83rd AGM inter-alia includes his detailed profile.

Remuneration Policy

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

Sitting Fees

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

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

Type of Meeting	Sitting fees per meeting (₹)
Board	45,000
Audit committee	15,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

Details of Remuneration paid to Directors

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

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2019@
Mr. L Ganesh	-	3,40,87,912	12,09,533
Mr. Harish Lakshman	2,65,000	-	1,24,882
Mr. L Lakshman	1,85,000	1,00,39,600	11,14,745
Mr. Anjanikumar Choudhari	1,75,000	-	-
Dr. V Sumantran	2,45,000	-	-
Dr. (Ms.) Sheela Bhide	2,40,000	-	-
Mr. Rajeev Gupta	1,80,000	-	-

@ includes joint holdings & HUF, if any

Note:

1. No other remuneration except sitting fees was paid to non-executive directors.

2. 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 May 27, 2019 and based on shareholder's approval vide postal ballot results declared on May 16, 2017. The remuneration paid to Mr. L Ganesh comprises of salaries & allowances - ₹ 1,29,61,717 ; perquisites - ₹ 33,25,127; company's contribution to Gratuity, provident fund and superannuation fund - ₹ 21,01,068 and commission (payable) - ₹ 1,57,00,000. The remuneration paid to Mr. L Lakshman comprises of :- Commission ₹ 1,00,00,000.; Perquisites - ₹ 39,600, but excludes advisory fees of ₹ 1,00,00,000 paid to Chairman Emeritus in professional capacity for the advisory services rendered by him.

3. Mr. L Ganesh, Chairman and Managing Director of the Company receives remuneration in the form of sitting fees for attending meetings of the board and committee(s) and commission on net profits, as per Section 197 of the Companies Act, 2013 from two of the subsidiary companies viz., Rane (Madras) Limited and Rane Brake Lining Limited.

4. No shares of the Company were pledged by the directors. 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.

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

- To resolve the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

- To review measures taken for effective exercise of voting rights by shareholders.

- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Company Secretary is the compliance officer of the company. The Committee met four (4) times during the year May 07, 2018, August 02, 2018, October 29, 2018 and February 07, 2019. 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	4
Mr. L Ganesh	Member, Executive & Promoter	4
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	3
Mr L Lakshman ^	Member, Non-Executive & Promoter	NA

* Ceased to be a member of the Committee effective from conclusion of meeting of Board of Directors held on May 27, 2019

^ Inducted as member of the Committee effective from conclusion of meeting of Board of Directors held on May 27, 2019

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

Particulars	Nature of Complaint	Received during the year	Resolved during the year	Pending at the end of the year
Regulatory Authorities (MCA / SEBI and Stock Exchanges)	Regarding service of documents by speed post	1	1	-
	Non - receipt of annual report	1	1	-
Through Registrar & Transfer Agent	Non receipt of AGM attendance slip and proxy form	2	2	-
	Claiming of unclaimed dividend / shares	4	4	-
	Non-receipt of original share certificate and dividend warrants	1	1	-
Directly to Company	Service of documents by speed post	1	1	-
	Non-receipt of dividend	1	1	-
	Claim of shares from IEPF authority	1	1	-
	Procedure on transmission & transfer of shares	2	2	-

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 2018-19.

6. Corporate Social Responsibility (CSR) Committee

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

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

During the year, the Committee met once on May 07, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non-Executive & Promoter	1
Mr. L Ganesh	Member, Executive & Promoter	1
Mr. Anjanikumar Choudhari @	Member, Non-Executive & Independent	Nil
Dr. (Ms.) Sheela Bhide ^	Member, Non-Executive & Independent	NA

@ ceased to be a member upon retirement as a director effective from conclusion of meeting of board of directors held on May 27, 2019.

^ Co-opted as a member of the Committee effective from conclusion of meeting of board of directors held on May 27, 2019.

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

The terms of reference of the Committee are as follows

1. Formulate and recommend CSR Policy, for approval of the Board
2. Approve projects that are in line with the CSR policy
3. Have monitoring mechanisms in place to track the progress of each project

4. Recommend the CSR expenditure to the Board of the company for approval

5. Review new proposals and existing projects' status

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

7. Other Committees

Share Transfer Committee

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

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

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

Finance Committee & Executive Committee

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

In order to carry out activities in connection with change in operation of bank accounts and authorisation of officials under various legislations and other administrative matters between two consecutive meetings of the Board, an executive committee two Non-Executive Directors and one Executive Director who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year no meeting was held.

Investment Committee

To make investments in the subsidiary / associate Companies, the Board has delegated the power to Investment Committee comprising of executives who are not directly engaged in the operations of the Company or any other Companies in the Rane Group. The Committee met twice on October 26, 2018 and February 11, 2019 inter-alia to approve matters relating to increase of investment in Rane Brake Lining Limited from open market and exercising conversion of warrants held by the Company in Rane (Madras) Limited, . No sitting fees is payable to the committee members. All the members of the Committee were present at the meeting.

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/ . 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 Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at http://ranegroup.com/rhl_investors/rhl-code-of-fair-disclosure/

9. General Body Meetings

No resolution were passed by postal ballot during the year.

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

Date of AGM	Special resolutions passed	Time	Venue
August 02, 2018 (82nd AGM)	Re-appointment of Dr. (Ms.) Sheela Bhide as an Independent Director for a second term	10:15 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014
	Approval of transactions under Section 185 of the Companies Act, 2013		
August 31, 2017 (81st AGM)	Re-appointment of Mr. Anjanikumar Choudhari as an Independent Director for a second term	10:15 hrs	
August 11, 2016 (80th AGM)	No Special resolution was passed	10:15 hrs	

10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., except as disclosed in '**Annexure A**' to the report of the Board of Directors The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions as per Ind AS as stated in note no. 36 of the financial statements. The policy on related party transaction is available on the website of the Company at 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 also complied with the following non-mandatory requirements, as explained hereunder:

   i. Maintains an office for Mr. L Ganesh, Chairman and Managing Director at the registered office of the Company and allows re-imbursement of expenses incurred in performance of his duties.

   ii. Disseminates to the stakeholders' financial performance and summary of significant events through earnings' / conference calls with investors on quarterly basis.

   iii. Adopts best practices to ensure a regime of financial results / statement of unmodified audit opinion ; and

   iv. 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 at the link: http://ranegroup.com/rhl_investors/rhl-policy-on-material-subsidiaries/

8. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 read with Regulation 25 and other provisions of the Act and SEBI LODR, as amended from time to time and that they are no aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.

9. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the independent directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.

10. The 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.

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

12. The Board has accepted / considered all the recommendation(s) made by its Committee(s) during the relevant financial year.

13. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm / network entity) is given as under:

Particulars	Paid by the Company	Paid by the Subsidiaries	Paid by the Company	Paid by the Subsidiaries
	FY 18-19		FY 17-18	
Deloitte Haskins and Sells, Chartered Accountants (DHS) and Net Work entities and firms of DHS	₹0.29 Crores	₹ 0.76 Crores	₹ 0.89 Crores	₹ 0.70 Crores
Total	**₹0.29 Crores**	**₹ 0.76 Crores**	**₹ 0.89 Crores**	**₹ 0.70 Crores**

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

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the board of directors.

12. Whistle Blower Mechanism

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

During the year under review the Board of Directors amended certain provisions to strengthen the policy on procedural matters especially those governing the anonymous disclosures, committees, ombudsperson and timelines for detailed enquiry. The 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 at the link: http://ranegroup.com/rhl_investors/rhl-whistle-blower-policy/

No person has been denied access to the ombudsperson / Audit Committee.

13. Means of Communication

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

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

14. General Shareholder Information

i. Information about director(s) seeking appointment / 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):

Name of the Director	Mr. L Lakshman	Mr. Pradip Kumar Bishnoi	Dr. V Sumantran	Mr. Harish Lakshman
Father's Name	Mr. L L Narayan	Mr. Om Prakash Bishnoi	Mr. Venkatramani	Mr. L Lakshman
Director Identification Number (DIN)	00012554	00732640	02153989	00012602
Age (in years)	72	68	60	45
Date of Birth	July 17, 1946	July 03, 1951	September 27, 1958	February 12, 1974
Educational Qualifications	B.E, Executive MBA from London Business School	Graduate petroleum engineer, Master's in Business Management from IIM Ahmedabad	Masters degrees in Aerospace Engineering and Management of Technology. Ph.D. degree in Aerospace Engineering from Princeton University & Virginia Tech., USA. He is Fellow of SAE International and Indian National Academy of Engineers.	B.E. – BITS Pilani, MSM - Purdue University, USA.
Experience	Mr. L Lakshman had been spearheading the business of Rane Group of companies and has more than 48 years of industrial experience. He is recipient of the 'Jamsetji Tata Award' from the Indian Society for quality in 2012. He is a formar President of ASSOCHAM, ACMA and Madras Chamber of Commerce & Industry.	Mr. Pradip Kumar Bishnoi has over 40 years of experience and insights into industries steel, natural gas, industrial packaging, lubricants etc., He is a former member of Petroleum & Natural Gas Regulatory Board. He also currently serves as an Independent Director of Boards of Rane (Madras) Limited and Avadh Sugar and Energy Limited.	Dr. Sumantran has over 33 years of experience and is currently the Chairman of Celeris Technologies and an advisor to several leading Fortune-100 organisations in autos, industrial equipment, defence and aerospace. He has served on the Science Advisory Council of the Prime Minister of India and scientific Adviosry Committee to the cabinet of the Indian Government. He was also member of the National Manufacturing Competitiveness Council and served as Chairman, National Defense Council of the Confederation of Indian Industry until 2013	Mr. Harish Lakshman has over 24 years of industrial experience and has held various positions in the areas of marketing, operations, business development overseas and other corporate functions. He currently spearheads the future growth plan for Rane Group. He was designated as Vice Chairman of the Company in 2017. Currently, he is also the Vice-Chairman of Rane Engine Valve Limited and Rane (Madras) Limited.
Date of first appointment on the board	November 12, 1976	Being appointed as an Independent Director under Companies Act 2013, w.e.f. August 08, 2019.	May 27, 2016	May 19, 2005
Terms and Conditions of appointment	Re-appointment as a Non-executive director liable to retire by rotation	Proposed to be appointed as non-executive Independent Director as per item no. 4 of the Notice convening Eighty Third AGM read with explanatory statement thereto	Proposed to be re-appointed as Independent Director for a second term of five years.	As detailed in the resolutions in item no. 6 and 8 of the notice convening the Eighty Third AGM read with Explanatory Statement thereto. The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.
Last drawn remuneration	Sitting fee paid for FY 2018-19 - ₹1,85,000/- apart from commision on profits and an advisory fee of ₹1.00 crore each.	NIL	Sitting fee paid for FY 2018-19 ₹2,45,000	Sitting fee paid for FY 2018-19 - ₹2,65,000 /-

Remuneration sought to be paid	No new approval is being sought for payment of remuneration expect the special resolution under Regulation 17(6)(ca) of SEBI LODR as detailed in item no. 7 of the notice convening the Eighty Third AGM read with Explanatory Statement thereto. 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.	As detailed in the resolution. The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.
Relationship with other Directors/Manager/KMP	Brother of L Ganesh and Father of Harish Lakshman.	NIL	NIL	Son of Mr. L Lakshman, Chairman Emeritus
Other Directorships	Rane Brake Lining Limited Rane (Madras) Limited Rane Engine Valve Limited D C M Limited SRF Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited	**Director** Avadh Sugar and Energy Limited Rane (Madras) Limited	**Chairman** Celeris Technologies Private Limited **Director** UCAL Fuel Systems Limited TVS Electronics Limited	**Chairman** Rane t4u Private Limited **Vice Chairman** Rane (Madras) Limited Rane Engine Valve Limited **Director** Rane Brake Lining Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited Oriental Hotels Limited Young Presidents Organisation (Chennai Chapter) Savithur Enterprises Private Limited HL Hill Station Properties Private Limited Rane Holdings America Inc. Rane Precision Die Casting Inc.
Committee Memberships in other Boards	**Chairman – Stakeholders' Relationship** Rane (Madras) Limited **Member – Audit** Rane Engine Valve Limited SRF Limited D C M Limited Rane NSK Steering Systems Private Limited Rane TRW Steering Systems Private Limited Rane (Madras) Limited **Member - Nomination and Remuneration** Rane Engine Valve Limited Rane (Madras) Limited **Chairman – Corporate Social Responsibility** Rane Engine Valve Limited Rane Brake Lining Limited Rane (Madras) Limited Rane NSK Steering Systems Private Limited Rane TRW Steering Systems Private Limited **Member – Corporate Social Responsibility** SRF Limited	**Chairman – Audit Committee** Rane (Madras) Limited **Member – Audit** Avadh Sugar and Energy Limited **Member – Corporate Social Responsibility** Avadh Sugar and Energy Limited **Member – Stakeholders' Relationship** Avadh Sugar and Energy Limited Rane (Madras) Limited Chairman - Risk Management Avadh Sugar and Energy Limited	**Member – Audit** TVS Electronics Limited **Member – Risk Management** Ucal Fuel Systems Limited	**Chairman – Stakeholders' Relationship** Rane Brake Lining Limited **Member – Stakeholders' Relationship** Rane (Madras) Limited
Number of meetings of the Board attended during the year	**Four (4)**	**NIL**	**Four (4)**	**Five (5)**
Number of equity shares held (including joint holding, if any)	**8,79,926**	**Nil**	**Nil**	**1,24,882**

ii. Annual General Meeting

August 08, 2019 (Thursday) at 10:15 hrs

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

iii. Financial Year: April 1 - March 31
Financial Calendar

Board meeting for approval of	Tentative Date
Audited Annual financial results* financial statements for the year ended March 31, 2019	May 27, 2019
Un-audited financial results* for the 1st quarter ending June 30, 2019	By first week of August 2019
Un-audited financial results* for the 2nd quarter ending September 30, 2019	By first week of November 2019
Un-audited financial results* for the 3rd quarter ending December 31, 2019	By first week of February 2020

*(includes both standalone and consolidated)

iv. Dividend

During the year 2018-19, the Board of Directors declared an interim dividend of 80% (i.e., ₹ 8.00 per share) on the equity share capital on February 07, 2019. The interim dividend was paid on February 27, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 19, 2019 (being the Record Date) fixed for this purpose.

The Board of Directors of the Company at their meeting held on May 27, 2019 have considered and recommended a final dividend of 110 % (₹ ₹11/- per share) on the equity share capital for approval of the shareholders at the ensuing 83rd AGM to be held on August 08, 2019. The final dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on August 01 , 2019 (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 duly paid the Annual Listing fee for the financial year 2019-20 to NSE & BSE where the shares of the Company continue to be listed.

vi. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2012 and thereafter which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within the respective due dates.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹3,49,675/- for the financial year ended March 31, 2011 and interim dividend amount of ₹ 4,20,234/- for the financial year ended March 31, 2012 to IEPF on September 17, 2018 and March 29, 2019 respectively. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below: -

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2019) (₹)^	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2012	10.08.2012	4.00	2,79,632.00	15.09.2019	15.10.2019
31.03.2013*	06.02.2013	3.50	2,89,040.50	14.03.2020	13.04.2020
31.03.2013	12.08.2013	4.50	4,15,273.50	17.09.2020	17.10.2020
31.03.2014	12.08.2014	6.50	5,41,736.00	17.09.2021	17.10.2021
31.03.2015	12.08.2015	7.50	6,79,822.50	17.09.2022	17.10.2022
31.03.2016	10.03.2016	10.00	8,54,160.00	15.04.2023	15.05.2023
31.03.2017*	09.02.2017	3.50	3,64,476.00	17.03.2024	16.04.2023
31.03.2017	31.08.2017	5.00	4,72,815.00	06.10.2024	05.11.2024
31.03.2018*	06.02.2018	5.50	3,23,746.50	14.03.2025	12.04.2025
31.03.2018	02.08.2018	9.00	5,27,634.00	07.09.2025	07.10.2025
31.03.2019	07.02.2019	8.00	6,90,440.00@	15.03.2026	14.04.2026

Share of paid-up value of ₹ 10 per share

* Interim dividend

^ amounts reflect confirmation of balance issued by Banks.

@based on bank reconciliation

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on August 02, 2018 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. http://ranegroup.com.

In respect of interim dividend of ₹8.00/- per share declared by the Board of Directors on February 07, 2019, unpaid / unclaimed dividend has been transferred to an unclaimed dividend account on March 15, 2019. The last date for claiming such amount in terms of Section 124 of the Companies Act 2013 is March 15, 2026.

vii. Transfer of shares to IEPF Authority

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

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

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2010-11 (Final)	1,362
2011-12 (Interim)	5,420

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

The shares relating to unclaimed dividend for FY 2011-12 (Final) and FY 2012-13 (Interim) are liable to be transferred to IEPF Authority during the FY 2019-20. An intimation in this regard shall be sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest 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

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

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

Details of Unclaimed Suspense account	No. of shareholders	Outstanding shares
Aggregate at the beginning of the year	308	45,706
Requests for transfer during the year	22	3,756
Transfers during the year	22	3,756
Balance at the end of the year	286	41,950

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

ix. Share Price Data

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

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2018	2,799.00	2,462.95	35,213.30	32,972.56	2795.00	2402.00	10,759.00	10,111.30
May 2018	2,708.95	2,276.20	35,993.53	34,302.89	2725.00	2297.60	10,929.20	10,417.80
June 2018	2,285.60	1,810.00	35,877.41	34,784.68	2318.10	1803.60	10,893.25	10,550.90
July 2018	2,147.00	1,825.00	37,644.59	35,106.57	2154.75	1825.00	11,366.00	10,604.65
August 2018	2,066.40	1,892.00	38,989.65	37,128.99	2080.90	1908.70	11,760.20	11,234.95
September 2018	1,990.00	1,360.00	38,934.35	35,985.63	2058.00	1390.10	11,751.80	10,850.30
October 2018	1,744.00	1,269.35	36,616.64	33,291.58	1688.00	1276.10	11,035.65	10,004.55
November 2018	1,399.00	1,225.00	36,389.22	34,303.38	1376.45	1240.00	10,922.45	10,341.90
December 2018	1,449.50	1,140.00	36,554.99	34,426.29	1460.00	1145.95	10,985.15	10,333.85
January 2019	1,410.00	970.05	36,701.03	35,375.51	1400.05	972.30	10,987.45	10,583.65
February 2019	1,244.00	948.00	37,172.18	35,287.16	1209.00	959.00	11,118.10	10,585.65
March 2019	1,297.90	1,165.10	38,748.54	35,926.94	1299.95	1155.00	11,630.35	10,817.00

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

x. Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited
SEBI Registration No. INR000000544
II Floor, 'Kences Towers', No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017
Phone : 28140801 – 03, Fax : 28142479, 28143378
e-mail ID: corpserv@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 de-mat / re-mat requests in coordination with the RTA. Share transfers and transmissions are approved and registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary

(PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialised form and that there is no difference between the issued and the listed capital of the Company.

xii. Distribution of shareholding as on March 31, 2019

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	9,360	91.07	7,25,856	5.09
501 – 1000	386	3.76	2,86,498	2.01
1001 – 2000	191	1.86	2,75,252	1.93
2001 – 3000	98	0.95	2,45,287	1.72
3001 – 4000	31	0.3	1,08,435	0.76
4001 – 5000	23	0.22	1,03,775	0.73
5001 – 10000	79	0.77	5,88,631	4.13
10001 & above	110	1.07	1,19,44,075	83.63
Total	**10,278**	**100.00**	**1,42,77,809**	**100.00**

xiii. Shares

Dematerialisation

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2019 about 98.69% of the shareholdings have been dematerialised.

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

Particulars	Number of shares		% to total capital	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Physical	1,87,033	2,38,744	1.31	1.67
Demat	1,40,90,776	1,40,39,065	98.69	98.33
Total	**1,42,77,809**	**1,42,77,809**	**100.00**	**100.00**

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

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

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

Demat ISIN: **INE384A01010**

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

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only. The Company has sent reminders to shareholders holding shares in physical form to dematerialise their shares promptly.

xiv. Credit Rating

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

Rating Agency	Amount ₹ (in Crores)	Security - Type	Rating
ICRA Limited	50.00	Long term	AA-
	10.00	Commercial Paper	A1+

xv. 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 ID: investorservices@ranegroup.com

OR

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

Annexure (i)

Certificate from Company Secretary in Practice

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

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

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

1. Our verification of the information relating to the directors available in the official web site of MCA;

2. Our verification of the disclosures/ declarations/ confirmations provided by the directors to the Company; and

3. Information, explanation and representations provided by the Company, its directors/ officers/ agents.

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

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

K Sriram,
Partner.

Chennai
May 27, 2019

Membership No. F 6312
Certificate of Practice No. 2215

Annexure (ii)

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 March 31, 2019.

L Ganesh
Chairman & Managing Director
DIN: 00012583

Chennai
May 27, 2019

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 Novermber 14, 2018.

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 March 31, 2019, 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 March 31, 2019.

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

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

Ananthi Amarnath
Partner
Membership No. 209252

Chennai
May 27, 2019

Annexure E to the Report of the Board of Directors

Extract of Annual Return - Form No. MGT-9

as on the financial year ended on March 31, 2019

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

I. Registration and Other Details:

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

II. Principal Business Activities of the Company:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Dividend income	64200	39.72
2	Trademark fees	77400	33.15
3	Information technology support service	62020	12.09
4	Management consultancy service	70200	8.92

III. Particulars of Holding, Subsidiary, Wholly Owned Subsidiary and Joint Venture Companies:

Sl. No.	Name of the company	Address of the company	CIN/GLN	% of shares held	Applicable Section
Subsidiary Companies					
1.	Rane (Madras) Limited	"Maithri", No.132, Cathedral Road, Chennai – 600 086, Tamil Nadu, India	L65993TN2004PLC052856	61.64	2(87)
2.	Rane Engine Valve Limited		L74999TN1972PLC006127	54.82	
3.	Rane Brake Lining Limited		L63011TN2004PLC054948	46.33	
4.	Rane t4u Private Limited (Formerly known as Telematics4u Services Private Limited)	#9, 2nd Floor, 1st Main, New Bel Road, Sanjaynagar Bangalore - 560 094, Karnataka, India	U72900KA2009PTC049462	69.41	
Step Down Subsidiary Companies					
1.	Rane (Madras) International Holdings B.V	Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands	Not Applicable	100.00	2(87)
2.	Rane Precision Die Casting Inc.	232, Hopkinsville Road, Russellville Kentucky - 42276-1280, United State of America	Not Applicable	100.00	
Wholly Owned Subsidiary Companies					
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)	Mutze korsch, Rechtsanwaltsgesellschaft mbH, TrinkausstraBe 7, Dusseldorf 40213	Not Applicable	100.00	
Joint Venture Companies					
1.	Rane TRW Steering Systems Private Ltd.	"Maithri", No.132, Cathedral Road, Chennai – 600 086, Tamil Nadu, India	U35999TN1987PTC014600	50.00	2(6)
2.	Rane NSK Steering Systems Private Ltd.		U29141TN1995PTC030621	49.00	

During the year under review the Company had divested the entire equity shareholding of 48.97% held in JMA Rane Marketing Limited and ceased to be a Joint Venture Company w.e.f. November 14, 2018 pursuant to termination agreement dated November 14, 2018.

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	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	32,44,027	-	32,44,027	22.72	31,82,075	-	31,82,075	22.29	(0.43)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**32,44,027**	**-**	**32,44,027**	**22.72**	**31,82,075**	**-**	**31,82,075**	**22.29**	**(0.43)**
(2) Foreign									
a) NRIs – Individuals	33,77,662	-	33,77,662	23.66	34,39,114	-	34,39,114	24.09	0.43
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**33,77,662**	**-**	**33,77,662**	**23.66**	**34,39,114**	**-**	**34,39,114**	**24.09**	**0.43**
Total Promoter Shareholding (A) = (A)(1)+ (A)(2)	**66,21,689**	**-**	**66,21,689**	**46.38**	**66,21,189**	**-**	**66,21,189**	**46.38**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	15,64,356	-	15,64,356	10.95	17,95,362	-	17,95,362	12.58	1.63
b) Banks / FI	9,607	1,195	10,802	0.08	2,981	1,195	4,176	0.03	(0.05)
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	0.00
g) FIIs	31,274	-	31,274	0.22	34,569	-	34,569	0.24	0.02
h) Foreign Venture Capital Funds	-	-							
i) Others (specify) - Alternative Investment Funds	1,74,664	-	1,74,664	1.22	1,75,684	-	1,75,684	1.23	0.01
Sub-total (B)(1):-	**24,59,474**	**1,195**	**24,60,669**	**17.23**	**26,88,169**	**1,195**	**26,89,364**	**18.84**	**1.61**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	9,20,573	2,838	9,23,411	6.47	8,67,774	2,585	8,70,359	6.10	(0.37)
ii) Overseas	5,41,125	-	5,41,125	3.79	5,41,125	-	5,41,125	3.79	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	18,27,312	2,11,735	20,39,047	14.28	1751,536	1,60,462	19,11,998	13.39	(0.89)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13,87,257	20,400	1407657	9.86	13,89,842	20,400	14,10,242	9.88	0.02
c) Others (specify)									
Non Resident Indians	1,32,272	2,083	1,34,355	0.94	1,41,735	1,938	1,43,673	1.01	0.07
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	750	-	750	0.01	0.01
Clearing Members	68,369	-	68,369	0.48	9,260	-	9,260	0.06	(0.41)
Trusts	215	-	215	0.00	215	453	668	0.00	0.00
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Rane Holdings Limited - Unclaimed Shares Suspense Account	45,706	-	45,706	0.32	41,950	-	41,950	0.29	(0.03)
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	35,073	493	35,566	0.25	37,231	-	37,231	0.26	0.01
Sub-total (B)(2):-	**49,57,902**	**2,37,549**	**51,95,451**	**36.39**	**47,81,418**	**1,85,838**	**49,67,256**	**34.79**	**(1.60)**
Total Public Shareholding (B) = (B)(1)+ (B)(2)	**74,17,376**	**2,38,744**	**76,56,120**	**53.62**	**74,69,587**	**1,87,033**	**76,56,620**	**53.63**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**1,40,39,065**	**2,38,744**	**1,42,77,809**	**100.00**	**1,40,90,776**	**1,87,033**	**1,42,77,809**	**100.00**	**0.00**

% rounded-off to the nearest decimal

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	1,40,924	0.99	-	1,40,924	0.99	-	-
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	-	-	-	-	(0.43)
18	Rama R Krishnan (Legal hair of T G Ramani)	-	-	-	61,452	0.43	-	0.43
19	Lakshman L	39,620	0.28	-	39,620	0.28	-	-
20	Malavika Lakshman	18,657	0.13	-	18,657	0.13	-	-
21	Rekha Sundar	15,610	0.11	-	15,610	0.11	-	-
22	Chitra Sundaresan	8,609	0.06	-	8,109	0.06	-	-
23	Suchitra Narayan	-	-	-	-	-	-	-
24	Pravin Kumar	2,800	0.02	-	2,800	0.02	-	-
25	Sumant Narayan	-	-	-	-	-	-	-
26	Keshav Harish Lakshman	100	0.00	-	100	0.00	-	-
27	Malavika Lakshman & Harish Lakshman	65	0.00	-	65	0.00	-	-
	Total	**66,21,689**	**46.38**	**-**	**66,21,189**	**46.38**	**-**	**-**

* ceased to be a person belonging to promoter group and Rama R Krishnan, a legal heir of (Late) T G Ramani, was classified as person belonging to promoter group

% rounded-off to the nearest decimal

iii) Change in Promoters' Shareholding:

Particulars		At the beginning of the year		At the end of the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
At the beginning of the year		**66,21,689**	**46.38**	**66,21,689**	**46.38**
T G Ramani		61,452	0.43	61,452	0.43
Rama R Krishnan		-	-	-	-
Chitra Sundaresan		8,609	0.06	8,609	0.06
Other Promoters		65,51,628	45.89	65,51,628	45.89
Date wise increase in promoters' shareholdings during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc.):					
T G Ramani – Transfer by way of transmission	01-03-2019	(61,452)	(0.43)	-	-
Rama R Krishnan (Legal heir of T G Ramani) - Acquisition by way of transmission	01-03-2019	61,452	0.43	61,452	0.43
Chitra Sundaresan	23-10-2018	(500)	0.00	8,109	0.06
At the end of the year		**66,21,189**	**46.37**	**66,21,189**	**46.37**
T G Ramani		-	-	-	-
Rama R Krishnan		61,452	0.43	61,452	0.43
Chitra Sundaresan		8,109	0.06	8,109	0.06
Other Promoters		65,51,628	45.89	65,51,628	45.89

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	Sundaram Mutual Fund	6,43,282	4.51	18-05-2018	1,995	0.01	Purchase	6,45,277	4.52
				25-05-2018	2,013	0.01	Purchase	6,47,290	4.53
				01-06-2018	1,572	0.01	Purchase	6,48,862	4.55
				15-06-2018	24,259	0.17	Purchase	6,73,121	4.71
				22-06-2018	3137	0.02	Purchase	6,76,258	4.74
				29-06-2018	(42,385)	(0.30)	Transfer	6,33,873	4.44
				06-07-2018	43,749	0.31	Purchase	6,77,622	4.75
				03-08-2018	393	0.00	Purchase	6,78,015	4.75
				07-09-2018	500	0.00	Purchase	6,78,515	4.75
				21-09-2018	500	0.00	Purchase	6,79,015	4.76
				16-11-2018	7,401	0.05	Purchase	6,86,416	4.81
				23-11-2018	5,302	0.04	Purchase	6,91,718	4.85
				30-11-2018	14,504	0.10	Purchase	7,06,222	4.95
				07-12-2018	291	0.00	Purchase	7,06,513	4.95
				31-12-2018	515	0.00	Purchase	7,07,028	4.95
				04-01-2019	1,000	0.01	Purchase	7,08,028	4.96
				11-01-2019	3,067	0.02	Purchase	7,11,095	4.98
				01-02-2019	377	0.00	Purchase	7,11,472	4.98
				08-02-2019	1,308	0.01	Purchase	7,12,780	4.99
				15-02-2019	139	0.00	Purchase	7,12,919	4.99
				22-02-2019	171	0.00	Purchase	7,13,090	4.99
				01-03-2019	278	0.00	Purchase	7,13,368	5.00
				22-03-2019	72	0.00	Purchase	7,13,440	5.00
				29-03-2019	5,500	0.04	Purchase	7,18,940	5.04
2	Nisshinbo Holdings Inc.	5,41,125	3.79	-	-	-	-	5,41,125	3.79
3	United India Insurance Company Limited	4,31,396	3.02	-	-	-	-	4,31,396	3.02
4	UTI Mutual Fund	4,00,580	2.81	06-04-2018	(1711)	(0.01)	Transfer	39,8869	2.79
				24-08-2018	(1440)	(0.01)	Transfer	3,97,429	2.78
				14-09-2018	(1933)	(0.01)	Transfer	3,95,496	2.77
				05-10-2018	145	0.00	Purchase	3,95,641	2.77
				02-11-2018	(1196)	(0.01)	Transfer	3,94,445	2.76
				30-11-2018	921	0.01	Purchase	3,95,366	2.77
				01-02-2019	518	0.00	Purchase	3,95,884	2.77
				08-02-2019	733	0.01	Purchase	3,96,617	2.78
5	Enam Securities Private Limited	3,61,541	2.53	-	-	-	-	3,61,541	2.53
6	L&T Mutual Fund	3,04,734	2.13	06-04-2018	64,000	0.45	Purchase	3,68,734	2.58
				13-04-2018	6,844	0.05	Purchase	3,75,578	2.63
				20-04-2018	6,000	0.04	Purchase	3,81,578	2.67
				27-04-2018	(9,000)	(0.06)	Transfer	3,72,578	2.61
				04-05-2018	2,000	0.01	Purchase	3,74,578	2.62
				11-05-2018	490	0.00	Purchase	3,75,068	2.63
				18-05-2018	5,693	0.04	Purchase	3,80,761	2.67
				25-05-2018	1,944	0.01	Purchase	3,82,705	2.68
				01-06-2018	73	0.00	Purchase	3,82,778	2.68
				08-06-2018	(16,878)	(0.12)	Transfer	3,65,900	2.56

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
				15-06-2018	(31,997)	(0.22)	Transfer	3,33,903	2.34
				13-07-2018	2,500	0.02	Purchase	3,36,403	2.36
				20-07-2018	4,501	0.03	Purchase	3,40,904	2.39
				10-08-2018	2,219	0.02	Purchase	3,43,123	2.40
				24-08-2018	(4,480)	(0.03)	Transfer	3,38,643	2.37
				28-09-2018	70	0.00	Purchase	3,38,713	2.37
				05-10-2018	5,190	0.04	Purchase	3,43,903	2.41
				12-10-2018	4,581	0.03	Purchase	3,48,484	2.44
				19-10-2018	350	0.00	Purchase	3,48,834	2.44
				26-10-2018	8,166	0.06	Purchase	3,57,000	2.50
				02-11-2018	14,818	0.10	Purchase	3,71,818	2.60
				09-11-2018	3,389	0.02	Purchase	3,75,207	2.63
				16-11-2018	2,793	0.02	Purchase	3,78,000	2.65
				23-11-2018	730	0.01	Purchase	3,78,730	2.65
				14-12-2018	288	0.00	Purchase	3,79,018	2.66
				28-12-2018	8,000	0.06	Purchase	3,87,018	2.71
				31-12-2018	1,000	0.01	Purchase	3,88,018	2.72
				04-01-2019	2,000	0.01	Purchase	3,90,018	2.73
				01-03-2019	14,459	0.10	Purchase	4,04,477	2.83
				08-03-2019	3,185	0.02	Purchase	4,07,662	2.86
				22-03-2019	2,308	0.02	Purchase	4,09,970	2.87
				22-03-2019	5,048	0.04	Purchase	4,15,018	2.91
7	General Insurance Corporation of India	2,18,623	1.53	-	-	-	-	2,18,623	1.53
8	Aditya Birla Sun Life Trustee Private Limited	2,15,760	1.51	13-04-2018	7,000	0.05	Purchase	2,22,760	1.56
				20-04-2018	2,282	0.02	Purchase	2,25,042	1.58
				08-06-2018	1,605	0.01	Purchase	2,26,647	1.59
				15-06-2018	30,520	0.21	Purchase	2,57,167	1.80
				07-09-2018	3,000	0.02	Purchase	2,60,167	1.82
				14-12-2018	3,100	0.02	Purchase	2,63,267	1.84
				21-12-2018	1,520	0.01	Purchase	2,64,787	1.86
9	Kumari Investment Corporation Private Limited	1,47,050	1.03	-	-	-	-	1,47,050	1.03
10	Sundaram Alternative Opportunities Fund – Nano Cap Series	1,31,440	0.92	15-02-2019	1,020	0.01	Purchase	132460	0.93
11	V S T Tillers Tractors Limited	1,22,915	0.86	06-04-2018	(3,740)	(0.03)	Transfer	1,19,175	0.84
				13-04-2018	(22,069)	(0.16)	Transfer	97,106	0.68
				20-04-2018	(7,235)	(0.05)	Transfer	89,871	0.63
				27-04-2018	(3,185)	(0.02)	Transfer	86,686	0.61
12	Prescient Wealth Management Private Limited	1,17,896	0.83	-	-	-	-	1,17,896	0.83
13	Hiten Anantrai Sheth	1,16,307	0.82	-	-	-	-	1,16,307	0.82
14	Anil Kumar Goel	90,000	0.63	13-04-2018	(20,000)	(0.14)	Transfer	70,000	0.49
15	M M Narayanamma	87,968	0.62	-	-	-	-	87,968	0.62

% rounded-off to the nearest decimal

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
At the beginning of the year	**24,49,160**	**17.15**	**24,49,160**	**17.15**
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**				
At the end of the year	**24,49,160**	**17.15**	**24,49,160**	**17.15**
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

% rounded-off to the nearest decimal

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

V. Indebtedness:

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

Amount in ₹

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
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
Total (i+ii+iii)	**28,82,25,348**	**-**	**-**	**28,82,25,348**
Change in Indebtedness during the financial year				
Addition	6,74,87,850	-	-	6,74,87,850
Reduction	16,35,08,934	-	-	16,35,08,934
Net Change	**(9,60,21,084)**	**-**	**-**	**(9,60,21,084)**
Indebtedness at the end of the financial year				
i) Principal Amount	18,97,16,414	-	-	18,97,16,414
ii) Interest due but not paid	24,87,850	-	-	24,87,850
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**19,22,04,264**	**-**	**-**	**19,22,04,264**

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	1,46,96,485.00
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	36,91,427.00
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission payable	1,57,00,000.00
5	Others, please specify	-
	Total (A)	**3,40,87,912.00**
	Ceiling as per the Act (being 5% of Net Profit calculated as per Section 198 of Companies Act,2013)	**3,92,92,461.00**

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

B. Remuneration to other Directors:

Amount in ₹

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		L Lakshman^	Harish Lakshman	Rajeev Gupta	V Sumantran	Anjanikumar Choudhari#	Sheela Bhide	
1	**Independent Directors**							
a	Fee for attending Board / Committee meetings	-	-	1,80,000	2,45,000	1,75,000	2,40,000	8,40,000
b	Commission	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-
	Total (1)	**-**	**-**	**1,80,000**	**2,45,000**	**1,75,000**	**2,40,000**	**8,40,000**
2	**Other Non-Executive Directors**							
a	Fee for attending board / Committee meetings	1,85,000	2,65,000	-	-	-	-	4,50,000
b	Commission	1,00,00,000	-	-	-	-	-	1,00,00,000
c	Others, please specify (Perquisites)	39,600	-	-	-	-	-	39,600
	Total (2)	**1,02,24,600**	**2,65,000**	**-**	**-**	**-**	**-**	**1,04,89,600**
	Grand Total B (1+2)	**1,02,24,600**	**2,65,000**	**1,80,000**	**2,45,000**	**1,75,000**	**2,40,000**	**1,13,29,600**
	Grand Total (A+B)							**4,54,17,512**
	***Overall ceiling as per the Act** (being 11% of Net Profit calculated as per Section 198 of Companies Act,2013)							**8,64,43,414**

^ Advisory fees paid to Chairman Emeritus ₹1 Crore not included above

Ceased to be an Independent Director w.e.f. May 27, 2019

C. Remuneration to other Directors / key managerial personnel other than MD / MANAGER / WTD:

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary	
		J Ananth	Siva Chandrasekaran	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	42,92,457	60,97,805	1,03,90,262
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	61,305	1,25,475	1,86,780
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify…			
5	Others, please specify			
	Total (C)	**43,53,762**	**62,23,280**	**1,05,77,042**

VII. Penalties / Punishment/ Compounding of Offences:

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

For and on behalf of the Board

Chennai
May 27, 2019

L Ganesh
Chairman and Managing Director
DIN: 00012583

Harish Lakshman
Vice Chairman
DIN: 00012602

Annexure F to the Report of the Board of Directors

Business Responsibility Report

Section A: General Information about The Company

1. Corporate Identity Number (CIN) of the Company :	L35999TN1936PLC002202
2. Name of the Company :	Rane Holdings Limited
3. Registered address :	'Maithri', No.132, Cathedral Road, Chennai - 600 086. Phone: 044 – 2811 2472; Fax: 044 – 2811 2449
4. Website :	www.ranegroup.com
5. E-mail id :	investorservices@ranegroup.com
6. Financial Year reported	FY 2018-19
7. Sector(s) that the Company is engaged in : (industrial activity code-wise)	77400- Trademark fees
	64200- Dividend income
	62020- Information technology support service
	70200- Management consultancy service
8. List three key products/services that the Company manufactures/ provides (as in balance sheet) :	RHL, being the holding Company of Rane Group, is engaged in three main-stream services viz., holding strategic investments, licensing trademark and providing services to the Rane Group companies. Investments : Rane Holdings Limited (RHL) holds strategic investments in the group companies. Trademark : RHL owns 'Rane' trademark and licences usage of the same by Rane Group companies. Service : RHL provides a range of services to Rane group companies like employee training and development, investor services, business development and Information systems support.
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	4 International locations in the North American and European regions
(b) Number of National Locations	25 National locations
10. Markets served by the Company – Local/State/ National/International	– Local/State/National/International
	The Rane Group Companies serves Local/State/National/ International Markets.

Section B: Financial Details of The Company

1. Paid up Capital (INR) : 14,27,78,090/-
2. Total Turnover (INR) : 1,28,49,45,783/-
3. Total profit after taxes (INR): 66,43,32,487/- (excluding profit on sale of investment)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : **1.85%**
5. List of activities in which expenditure in 4 above has been incurred: -

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 the year, the Company has implemented several projects primarily focusing on Education followed by Healthcare, which are in detailed furnished in the annual report on CSR activities annexed to the report of the board of directors.

Section C: Other Details

1. **Does the Company have any Subsidiary Company/ Companies?**
   Yes. The Company has 4 domestic subsidiaries, 4 wholly owned overseas subsidiaries including step down subsidiaries and 2 joint venture companies (Collectively referred to as 'Rane Group of Companies')
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**
   Yes. Business Responsibility initiatives of RHL (being the Parent Company) are generally pursued across by manufacturing companies of the Rane Group viz., 3 domestic subsidiaries and 2 joint venture companies.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**
   NO

Section D: Business Responsibility (BR) Information

1. **Details of Director/Directors responsible for BR**

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

DIN	Name	Designation
00012583	GANESH LAKSHMINARAYAN	Chairman and Managing Director

(b) Details of the BR head :

S.no	Particulars	Details
1	DIN	00012583
2	Name	GANESH LAKSHMINARAYAN
3	Designation	Chairman and Managing Director
4	Telephone number	044-28112472
5	e-mail id	l.ganesh@ranegroup.com

2. **Principle-wise (as per NVGs) BR Policy/policies**

(a) Details of compliance (Y/N)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Do you have a policy/ policies for the principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online?	http://ranegroup.com/ rane-holdings-limited-investors/#policies								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why (Tick up to 2 options)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
The company has not understood the Principles	Not Applicable								
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, annually, More than 1 year

The Company assesses the BR Report / performance annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Business Responsibility Report is published as part of this Annual Report and the same is available on the website www.ranegroup.com

Section E: Principle-Wise Performance

Principle 1: Business Ethics

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. The Code of Conduct (Rane Compass) covers all employees of Rane Group Companies. Every company within the Rane Group, all subsidiaries and joint ventures at all locations, every employee of the Company including its Directors come within the scope of the COMPASS.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   During the FY 2018-19, the Company has received 14 complaints from investors and has resolved all. There are no investor complaints pending unresolved at the end of the financial year 2018-19. The Complaints primarily related to non-receipt of annual reports, dividend payments, re-validation of dividend warrants, re-issue of duplicate shares and procedural issues relating to share transfer / transmissions etc. The Stakeholders Relationship Committee oversees the complaints and their timely and effective resolution.

Principle 2 : Product Responsibility

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

   The Company incorporates innovative designs for its products with an imperative to protect environment, conserve natural resources for achieving sustainable economic growth. These high value designs are co-developed with our customers to enable light weighting, enhance fuel efficiency and use of environmentally friendly material.

   (a) Asbestos Free Brake Lining

   (b) Steering Products

   (c) Valve train components

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

   (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

   (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The group companies constantly work on projects to reduce the resource (energy, water, raw material, etc.) consumption. Some examples include:

- Reduction of the usage of energy by way of identifying energy efficient operations, energy efficient machines, usage of LED lights, use of VFD drives on motors etc.,
- Use of Renewable energy power (Wind & Solar)
- Returnable packaging is used extensively to conserve resources on distribution

Similarly the company builds products that help consumers conserve on the resources and environment. Some examples include:

- Asbestos Free Friction Material products provide environment friendly products to the customer.
- Light weighting is done on continuous basis on steering products. Reduced 10% of weight on the steering gear supplied to passenger vehicles through efficient design and process on the steering rack & ball joints resulting in enhanced fuel efficiency of vehicles.
- The valve train components are designed along with customers in India and globally for better fuel efficiency and emission compliance.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's Supplier selection, assessment and evaluation process includes elements of Sustainability. This includes initial supplier survey, continuous risk assessments and audits. Also, there is communication to suppliers on the company's sustainability requirements. The Company has an environment policy and safety policy. The company encourages the vendors to ensure compliance with these policies. It covers various issues like health of workers and safety measures.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

   (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

   The company has taken adequate steps to procure goods from local and small vendors. The steps taken to improve the capability and capacity of local vendors include:

- Imparting training and supporting the suppliers for developing Quality Management Systems for improving the product quality, reducing the wastages and sustainable development.
- Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability.
- Communicating on periodic basis and creating joint action plans to meet the requirements.
- Ensuring statutory compliance including Prohibiting the use of child labour in the factory premises.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The company ensures optimum use of resources and practices reduce, recycle and re-use principles. Across its operations, there are various initiatives that enable effective recycling of products and wastes and some of the initiatives practiced in this direction are explained hereunder:

- Company sends 100% of machined boring scrap and heavy melting scrap for recycling. Aluminium boring scrap are re-melted and used into making of Ingots. End bits arising out of random length tubes and bars are converted into base raw material for another product.
- Continuous actions are in place to reduce the material content on the product by way of weight reduction activities (as part of VA/VE)
- Used inserts are recycled and used as prime material for pre machining of products.
- Reusable Pallets and biodegradable material used for packing
- Recycled water from sewage treatment plant is used for maintenance of greenery in the Plant
- Implemented rain water harvesting in the plants.

Principle 3 : Wellbeing of Employees

1. Total number of employees. : 86
2. Total number of employees hired on temporary/contractual/casual basis : 28
3. Number of permanent women employees : 17
4. Number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognised by management. No
6. What percentage of your permanent employees is members of this recognised employee association? Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S.no	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees 100%

   (b) Permanent Women Employees 100%

   (c) Casual/Temporary/Contractual Employees 100%

   (d) Employees with Disabilities 100%

   Given the nature of operations of the Company, training is imparted for development of functional and behavioural skills.

Principle 4 : Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders? Y/N : Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalised stakeholders: Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so.

   The Company has both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

   The Company supports various special initiatives to engage with disadvantaged, vulnerable and marginalised stakeholders by actively engaging with Rane Foundation, the CSR arm of the Rane group. For detailed discussion, please refer to Management Discussion and Analysis and Annual Report on CSR activities forming part of this annual report.

Principle 5 : Human Rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
   Yes. The Rane Compass (which is Rane's Policy on Ethical Standards and Behaviour), Rane Whistle Blower Policy and Rane Policy on Prevention of Sexual Harassment of Women at Work Place cover various aspects of human rights and extend to all Rane Group Companies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
   During the FY 2018-19, the Company has not received any complaints under the vigil mechanisms of the Company 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. The Company also has not received any instances / complaints to report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Principle 6 : Environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

   The policy covers all Rane Group Companies with an intent to help integrate sustainability aspects in the business strategies, its decisions and key work processes. The Company operations should not adversely affect the future of the society and its ecological balance.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. :

   Yes, the Company makes efforts to address global environmental issues such as reducing carbon footprint and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc. Environment is one of the four specific focus areas aligned to the CSR vision of the Rane Group as outlined in the CSR policy of the Company available on the website at http://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/

3. Does the company identify and assess potential environmental risks? Y/N :

   Yes. Environmental risks are covered in the Company's principles that are based on ISO-14001 standards. Every manufacturing plant implements these standards. Periodic reviews are done on the steps taken to mitigate the potential risks identified.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

   The Company continues to work towards development and implementation of climate change mitigation project mainly through energy saving projects, water saving, waste reduction & CO_2 reduction under sustainability development. However, it does not have any registration for CDM projects.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes, Several initiatives on clean technology, renewable energy and sustainability development has been done. Some of these initiatives include:

- Factory construction provides for maximum use of natural lighting and ventilation
- Use of energy efficient induction lamps, LEDs in shop floor and office area
- Increased mix of renewable power such as Wind and Solar energy
- Projects implemented for energy conservation and reduction in consumables in the shop floor
- Replaced the plastic tumblers with stainless steel tumblers in cafeteria

6. Are the emissions/waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   The emissions / waste generated by the group companies' plants are within the permissible limits as prescribed by CPCB/SPCB and compliance reports are submitted on periodical basis.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. NIL

Principle 7 : Public Policy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   (a) Indo- American Chamber of Commerce

   (b) Automotive Component Manufacturers Association of India (ACMA)

   (c) Confederation of Indian Industry (CII)

   (d) Madras Chamber of Commerce and Industry (MCCI)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) Yes, representations have been made to chambers and associations connected the group's business on various matters for improvement of regulatory policies to build a better, competitive and sustainable business environment.

Principle 8 : CSR

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

   Yes. The Rane Group of Companies primarily channelise their CSR initiatives through Rane Foundation. Rane Foundation has established Rane Polytechnic at Trichy. The Institution offers quality technical education and sustainable development to the rural youth. Rane Foundation has also established Rane Vidyalaya at Trichy. The school aims to provide conducive learning environment to children and will develop qualified teachers and staff.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

   The projects are undertaken primarily through Rane Foundation. However, the Company also undertakes projects on its own as well as working in partnership with specialised organisations.

3. Have you done any impact assessment of your initiative?

   Rane group companies have financially supported the various CSR initiatives of Rane Foundation including establishing of Rane Vidyalaya (School project)

   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, 1087 students have completed their diploma program. In the current year, 188 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 has also sucessfully embarked on its next major project, a school 'Rane Vidyalaya' in Trichy. The school provides quality education to children in rural neighbourhood. The institution aims to provide conducive learning environment to children, develop well-qualified teachers and support staff for the continuous improvement, and recognsae the diversity of talent amongst children by promoting extra-curricular activities. The school is located in Theerampalayam, Manachanallur Taluk, Trichy, Presently, the school offers nursery and primary education and shall gradually scale to offer up to higher secondary education in due course of time.

The School began functioning from the academic year 2018-19 with classes from Nursery to Class II and follows CBSE curriculum. Rane Vidyalaya is recognised by Directorate of School Education, Tamilnadu and has applied for affiliation with Central Board of Secondary Education (CBSE). It currently has a student strength of 200 as against a capacity of 240.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Please refer the section Annual report on CSR activities of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Please refer to CSR report for details

Principle 9 : Customer Relations

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company has a robust system for addressing customer complaints. The complaints received are analysed, appropriate countermeasure is presented to customer and implemented and effectiveness is monitored. As on the end of financial year, the complaint resolution is being tracked for 4 complaints. This is about 2% of total complaints received in the year.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Company's products are predominantly supplied to OEM as per their requirements. The Company displays product requirement on packaging as per the requirements of OEM and consistent with applicable laws.

For the Aftermarket segment, the product details are mentioned as per rules made under Legal Metrology Act, 2009.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations.

The Company obtains the customer feedback by engaging third party agency to conduct survey with key stakeholders in the customer organisation. The Company constantly communicates with customers and use the data posted on the customer portal on monthly/quarterly basis to evaluate the performance and take remedial actions. Customer Satisfaction trends are compiled, monitored and reviewed by top management on periodic basis and also action plans are discussed with customers.

For and on behalf of the Board

Chennai
May 27, 2019

L Ganesh
Chairman and Managing Director
DIN: 00012583

Harish Lakshman
Vice Chairman
DIN: 00012602

Independent Auditor's Report

To The Members of Rane Holdings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Impairment of investments: **Assessment of impairment in a wholly owned step down subsidiary:** The Company's step down subsidiary in the US, Rane Precision Die-Casing Inc. (RPDC) has incurred a net loss of ₹36.58 Crores during FY 2018-19. The net worth of the step down subsidiary has fully eroded. These indicators necessitated management to test the investment and loans given to the subsidiaries for impairment. The total financial exposure, representing investment and loans (through intermediate subsidiaries) in the subsidiary aggregated to ₹96.83 Crores as at March 31, 2019. Impairment testing uses projections of future cash flows based on the most recent long-term forecasts approved by management, including estimated sales volumes and pricing. The long-term forecasts are projected over five years. Management engaged external valuers, who used various assumptions such as the valuation approach, probability of projections, risk free rate, market risk premium etc. and assessed that the recoverable amounts were higher than the carrying value of investment and loans given to RPDC. Assessment of impairment involves significant management judgements and estimations and accordingly, we deemed this to be a key audit matter.	Principal audit procedures performed: Our audit procedures included, amongst others, testing the company's controls surrounding the budgeting process and the carrying value of investment and loans to RPDC. Our audit included assessing the Company's budgeting procedures upon which the forecasts are based and the integrity of the discounted cash flow models which management used to prepare the valuations. We challenged the robustness of the key assumptions used to determine the recoverable amounts used in the valuation. We engaged our own valuation specialists to assist us in evaluating the assumptions and methodologies used by management, in particular those relating to the discount rates, risk free rate, market risk premium etc., by comparing relevant assumptions to industry and economic forecasts. We also assessed whether the Company's disclosures about the sensitivity of the outcome of the impairment assessment to changes in key assumptions reflect the risks inherent in the valuation of investment.

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

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit referred to in the Other Matters section 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 Statement of Cash Flows 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 financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

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)

Place: Chennai
Date: May 27, 2019

Annexure “A” to The Independent Auditor’s Report
(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Ananthi Amarnath
Partner
(Membership No. 209252)

Place: Chennai
Date: May 27, 2019

Annexure B to The Independent Auditors' 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 the property, plant and equipment.

(b) The company has a program of verification of property, plant and equipment 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 property, plant and equipment 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 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 any 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, Employees State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which 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	1,098	804
Finance Act, 1994	Service Tax	Customs, Excise & Service Tax Appellate Tribunal	2006-07 to 2011-12	41	39
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 and banks. The Company has not issued any debentures and has not taken any loans from 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 or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) 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 the 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 directors of its holding or associate company or persons connected with them 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-IA 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)

Place: Chennai
Date: May 27, 2019

Balance Sheet

as at March 31, 2019

₹ Lakhs

S.No	Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
A.	**Assets**			
	Non-Current Assets			
	a. Property, plant and equipment	3	8,729	8,786
	b. Capital Work-in-Progress	3	961	388
	c. Intangible Assets	4	35	41
	d. Financial Assets			
	i. Investments	5	33,592	29,453
	ii. Loan Receivables	6	-	1
	iii. Other Financial Assets	7	4	4
	e. Other Non-Current Assets	8	347	27
	f. Income tax assets (Net)	9	815	735
	g. Deferred tax Assets (Net)	10	17	3
	Total non-current assets		**44,500**	**39,438**
	Current Assets			
	a. Financial Assets			
	i. Investments	11	155	792
	ii. Trade Receivables	12	1,178	1,191
	iii. Cash and Cash Equivalents	13.a.	24	49
	iv. Bank balances other than mentioned in (iii) above	13.b.	47	46
	v. Loan Receivables	6	2	6
	vi. Other Financial assets	7	8	7
	b. Other Current Assets	14	220	200
	Total current assets		**1,634**	**2,291**
	TOTAL ASSETS		**46,134**	**41,729**
B.	**Equity and Liabilities**			
	Equity			
	a. Equity Share Capital	15	1,428	1,428
	b. Other Equity	16	41,673	36,741
	Total Equity		**43,101**	**38,169**
	Liabilities			
	Non-Current Liabilities			
	Financial Liabilities			
	i. Borrowings	17	1,399	1,915
	Total non-current liabilities		**1,399**	**1,915**
	Current Liabilities			
	a. Financial Liabilities			
	i. Trade Payables			
	a. Total outstanding dues of micro enterprises and small enterprises	18	-	-
	b. Total outstanding dues of creditors other than micro enterprises and small enterprise	18	206	133
	ii. Other financial Liabilities	19	1,116	1,254
	b. Provisions	20	146	130
	c. Other Current Liabilities	21	166	128
	Total current liabilities		**1,634**	**1,645**
	Total Liabilities		**3,033**	**3,560**
	TOTAL EQUITY AND LIABILITIES		**46,134**	**41,729**

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Statement of Profit and Loss

for the year ended March 31, 2019

₹ Lakhs

S.No	Particulars	Note No.	Year ended 31 March 2019	Year ended 31 March 2018
I	Revenue from Operations	22	11,595	9,556
II	Other Income	23	1,254	153
III	**Total Income (I+II)**		**12,849**	**9,709**
IV	Expenses:			
	Employee benefits expense	24	1,488	1,298
	Finance costs	25	234	233
	Depreciation and amortisation expense	26	113	128
	Other expenses	27	2,265	2,171
	Total Expenses (IV)		**4,100**	**3,830**
V	**Profit before tax (III-IV)**		**8,749**	**5,879**
VI	Tax Expense:			
	(1) Current Tax	28	1,124	1,007
	(2) Deferred Tax	28	(11)	(7)
	Total tax expense (VI)		**1,113**	**1,000**
VII	**Profit for the year (V - VI)**		**7,636**	**4,879**
VIII	**Other Comprehensive Income**			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(13)	(20)
	b) Equity instruments through other comprehensive income		63	11
	ii) Income tax relating to items that will not be reclassified to profit or loss		3	(3)
	Total other comprehensive income		**53**	**(12)**
IX	**Total Comprehensive Income for the period (VII+VIII)**		**7,689**	**4,867**
X	**Earnings Per Equity Share**			
	(a) Basic (In ₹)	33	53	34
	(b) Diluted (In ₹)	33	53	34

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Statement of Changes In Equity

for the year ended March 31, 2019

A. Equity Share Capital

₹ Lakhs

Particulars	Amount
Balance as at 31 March 2017	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2018	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1,428**

B. Other Equity

₹ Lakhs

Particulars	Reserves and Surplus				
	Capital Redemption Reserve	Securities premium reserve	General Reserve	Retained Earnings	Total Other Equity
Balance as at 31 March 2017	550	4,433	22,161	6,405	33,549
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)	-
Balance as at 31 March 2018	**550**	**4,433**	**26,034**	**5,724**	**36,741**
Profit for the year	-	-	-	7,636	7,636
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	-	-	-	(13)	(13)
b. Fair value gain or (loss) of equity instruments through other comprehensive income	-	-	-	63	63
ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	3	3
Payment of dividend	-	-	-	(2,427)	(2,427)
Tax on dividend	-	-	-	(330)	(330)
Transfer from retained earnings to reserves	-	-	1,687	(1,687)	-
Balance as at 31 March 2019	**550**	**4,433**	**27,721**	**8,969**	**41,673**

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Statement of Cash Flows

for the year ended March 31, 2019

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Cash flows from operating activities		
Profit for the year	7,636	4,879
Adjustments for:		
Income Tax expense recognised in profit or loss	1,113	1,000
Depreciation and amortisation of non-current assets	113	128
Profit on disposal of property, plant and equipment	-	(1)
Finance costs	234	233
Dividend Income from Current Investments	(70)	(125)
Profit on sale of investment in Joint Venture	(1,164)	-
Interest income recognised in profit or loss	-	(26)
Movements in working capital:		
(Increase)/decrease in trade or other receivables	13	(606)
(Increase)/decrease in short-term loans	4	4
(Increase)/decrease in long-term loans	1	4
(Increase)/decrease in other long term financial assets	-	2
(Increase)/decrease in other short term financial assets	(1)	3
(Increase)/decrease in other assets	(20)	(72)
Increase/(decrease) in trade payables	73	27
Increase/(decrease) in financial liabilities	126	7
Increase/(decrease) in provisions	3	(16)
Increase/(decrease) in other liabilities	39	36
Cash generated from operations	**8,100**	**5,477**
Income taxes paid	(1,204)	(1,011)
Net cash generated from operations	**6,896**	**4,466**
Cash flows from investing activities		
Proceeds on sale of financial assets - investment in Joint Venture	1,200	-
Redemption of Investment in Preference Share Capital	-	823
Proceeds from/(Purchase of) Current investments	637	4,481
Dividend Income from Current Investments	70	125
Payments for property, plant, equipment & intangible assets	(763)	(250)
Proceeds from disposal of property, plant & equipment	-	4
Payment made for long term investments	(4,112)	(9,491)
Interest received	-	82
Net cash (used)/generated by investing activities	**(2,968)**	**(4,226)**
Cash flows from financing activities		
Repayment of borrowings	(1,591)	(675)
Proceeds from borrowings	650	2,000
Dividends paid on equity shares	(2,427)	(1,499)
Tax on dividend	(330)	(176)
Interest paid	(255)	(230)
Net cash used in financing activities	**(3,953)**	**(580)**
Net decrease in Cash and Cash equivalents	**(25)**	**(340)**
Cash and cash equivalents at the beginning of the year	**49**	**389**
Cash and cash equivalents at the end of the year (refer note 13.a.)	**24**	**49**

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

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Chairman and Managing Director
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Chennai
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Notes Forming Part of Financial Statements

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

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

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

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

2.2 Basis of preparation

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

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.

Notes Forming Part of Financial Statements

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 capitalised 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.

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.

2.3.3Intangible 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 tax authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

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

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

Derecognition of intangible assets

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

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.

Notes Forming Part of Financial Statements

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

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 recognised 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

The Company derives revenues primarily from management and information technology services to the subsidiaries and joint ventures and from Trade Mark fee in accordance with the terms of the agreements with the Group entities. Revenue is recognised upon rendering of services and measured based on the consideration specified in contracts.

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.

Notes Forming Part of Financial Statements

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 utilised. 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 utilise 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 categorised as follows:

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

Notes Forming Part of Financial Statements

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 for the year 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, 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.

Notes Forming Part of Financial Statements

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., 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".

2.15

2.15.1 Critical accounting judgements

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 recognised 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.

Notes Forming Part of Financial Statements

(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 FVTOCI 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.

(i) 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.

(ii) 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 the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate 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 rate 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

Notes Forming Part of Financial Statements

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.

2.17 Standards issued but not yet effective

(a) Ind AS 116 - Leases:

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Company is currently evaluating the effect of the above on its standalone financial statements.

(b) Amendment to Ind AS 12 – Income taxes:

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

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

(c) Amendment to Ind AS 19 – Employee Benefits:

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

Notes Forming Part of Financial Statements

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
a. Freehold land	7,942	7,942
b. Buildings	693	735
c. Plant and Machinery	3	4
d. Furniture and Fixtures	8	16
e. Office Equipments	29	25
f. Electrical Equipments	25	30
g. Vehicles	29	34
	8,729	**8,786**
Capital Work-in-progress	**961**	**388**

₹ Lakhs

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Electrical Equipments	Vehicles	Total
Cost or Deemed Cost								
Balance as at 31 March 2017	7,942	819	6	82	51	51	52	9,003
Additions	-	-	-	6	9	6	-	21
Disposals	-	-	-	(3)	-	-	-	(3)
Balance as at 31 March 2018	7,942	819	6	85	60	57	52	9,021
Additions	-	-	-	3	25	-	6	34
Disposals	-	-	-	(2)	-	-	-	(2)
Balance as at 31 March 2019	7,942	819	6	86	85	57	58	9,053

₹ Lakhs

Particulars	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Electrical Equipments	Vehicles	Total
Accumulated depreciation and impairment								
Balance as at 31 March 2017	-	42	1	40	16	19	8	126
Depreciation expense	-	42	1	29	19	8	10	109
Disposals / adjustments	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	84	2	69	35	27	18	235
Depreciation expense	-	42	1	11	21	5	11	91
Disposals / adjustments	-	-	-	(2)	-	-	-	(2)
Balance as at 31 March 2019	-	126	3	78	56	32	29	324
Carrying amount as at 31 March 2018	**7,942**	**735**	**4**	**16**	**25**	**30**	**34**	**8,786**
Carrying amount as at 31 March 2019	**7,942**	**693**	**3**	**8**	**29**	**25**	**29**	**8,729**

Note:

1. All the land and buildings held by the company as on 31 March 2019 are free of lien except land mortgaged for loan availed from Tata Capital Financial Services Limited & Federal Bank 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.

Notes Forming Part of Financial Statements

4 Intangible Assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Software Licence	35	41
	35	**41**

Particulars	Software Licence
Balance as at 31 March 2017	58
Additions	**17**
Disposals	-
Balance as at 31 March 2018	**75**
Additions	16
Disposals	-
Balance as at 31 March 2019	**91**

Particulars	Software Licence
Accumulated amortisation and impairment	
Balance as at 31 March 2017	15
Amortisation expense	19
Disposals	-
Balance as at 31 March 2018	**34**
Amortisation expense	22
Disposals	-
Balance as at 31 March 2019	**56**

Particulars	Software Licence
Carrying amount as at 31 March 2018	41
Carrying amount as at 31 March 2019	**35**

Notes Forming Part of Financial Statements

5 Non- current Investment

₹ Lakhs

Particulars	Face Value per share	As at 31 March 2019		As at 31 March 2018	
		No. of Shares	Amount	No. of Shares	Amount
I. Quoted Investments					
a. Investments in Equity Instruments at Cost					
i. Subsidiary Companies					
Rane (Madras) Limited (refer note 5.1.1 & 5.3)	10	73,80,678	14,602	70,15,048	12,602
Rane Engine Valve Limited (refer note 5.1.2)	10	36,83,054	9,480	34,31,054	8,332
Rane Brake Lining Limited (refer note 5.1.3 & 5.2)	10	36,67,181	1,708	36,48,311	1,607
Total Quoted Investments			25,790		22,541
II. Unquoted Investments					
a. Investments in Equity Instruments at Cost					
i. Subsidiary Companies					
Rane Holdings America Inc.	$ 1	20,000	10	20,000	10
Rane Holdings Europe GmbH	€1	25,000	19	25,000	19
Rane t4u Private Limited					
a. Equity Investment	10	11,57,000	126	11,57,000	126
b. Compulsory Convertible Preference Shares (refer note 5.1.4)	10	2,43,50,000	2,435	1,85,00,000	1,850
ii. Joint Venture Companies					
Rane TRW Steering Systems Private Limited	10	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
JMA Rane Marketing Limited (refer note 5.1.5)	10	-	-	3,60,003	36
b. Investments in Equity (designated as FVTOCI)					
Autotech Fund I, L.P (refer note 5.1.6)		-	1,868	-	1,027
Wellingdon Corporate Foundation	10	60	-	60	-
III. Share Warrants					
Rane (Madras) Limited (refer note 5.1.1)		-	-	3,65,630	500
Total Unquoted Investments			**7,802**		**6,912**
Total Non-Current Investments			**33,592**		**29,453**
Aggregate book value of quoted investments			**25,790**		**22,541**
Aggregate market value of quoted investments			**65,617**		**1,09,401**
Aggregate carrying value of unquoted investments			**7,802**		**6,912**
Aggregate amount of impairment in value of investments			**-**		**-**

Note:

5.1 During the year 2018-19 :

5.1.1 Rane (Madras) Limited (RML), a subsidiary company, issued and alloted 3,65,630 equity shares of ₹10/- each pursuant to conversion of 3,65,630 warrants held and excersied by the company by paying the entire balance of 75% of issue price amounting to ₹1,500 Lakhs. Post subscription, the company holds 61.64% in equity share capital of RML.

5.1.2 The Company has acquired 2,52,000 (3.75%) equity shares of Rane Engine Valve Limited (REVL), a subsidiary company through the stock market. Post-acquisition, the company holds 54.82% in equity share capital of REVL.

5.1.3 The Company has acquired 18,870 equity shares of Rane Brake Lining Limited (RBL), a subsidiary company at prevailing market prices aggregrating to ₹101 Lakhs through the stock market.

5.1.4 The Company has invested an aggregate sum of ₹585 Lakhs in the preferential allotment of Compulsorily Convertible Preference Shares issued by Rane t4u Private Limited, a subsidiary company.

5.1.5 The company has divested its entire holding of 3,60,003 (48.97%) in equity shares of ₹ 10/- each fully paid up of JMA Rane Marketing Limited, a joint venture company.

5.1.6 The Company has invested an aggregate sum of ₹ 841 Lakhs (USD 1,125,000) in AutoTech Fund I, L. P towards its share of capital contribution as one of the Limited Partners in the Fund.

5.2 RBL is a Board controlled subsidiary of the company as the company has the right to appoint majority of the Board of Directors of RBL.

5.3 The Subsidiary company RML carried out the valuation of the investments made in its step down subsidiary company Rane Precision Diecasting Inc. USA (RPDC) to assess the possibility of any impairment by estimating the future cash flow projections based on the most recent long term forecast and concluded that there is no impairment of its investments made in / loans and guarantees given to its intermediate and step down subsidiary amounting to ₹ 96.83 crore. The valuation is dependent on the step-down subsidiary successfully securing new businesses and is also subject to fluctuations in the market demand.

Notes Forming Part of Financial Statements

6 Loan Receivable

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
Loan to Employees	-	1	2	6
	-	**1**	**2**	**6**

7 Other Financial Assets

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	**As at 31 March 2019**	As at 31 March 2018
a. Security Deposits	4	4	-	-
b. Rent Advance	-	-	6	5
c. Fixed deposits against Bank Guarantee	-	-	2	2
	4	**4**	**8**	**7**

8 Other Non-Current Assets

₹ Lakhs

Particulars	Current	
	As at 31 March 2019	As at 31 March 2018
Capital Advance	347	27
	347	**27**

9 Income tax assets (Net)

₹ Lakhs

Particulars	**As at 31 March 2019**	As at 31 March 2018
Advance payment of tax and Tax Deducted at Source (net of Provision)	815	735
	815	**735**

10 Deferred tax assets (Net)

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

₹ Lakhs

Particulars	**As at 31 March 2019**	As at 31 March 2018
a. Deferred tax assets	47	42
b. Deferred tax liabilities	(30)	(39)
	17	**3**

Notes Forming Part of Financial Statements

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
For the year period ended 31 March 2019				
Deferred tax Assets				
a. Provision for leave salary	38	5	-	43
b. Provision for Bonus	4	-	-	4
	42	**5**	**-**	**47**
Deferred tax liabilities				
a. Property, plant and equipment and Intangible assets	(36)	6	-	(30)
b. Re-statement of Equity Investments	(3)	-	3	-
	(39)	**6**	**3**	**(30)**
Net Deferred Tax Asset / (Liability)	**3**	**11**	**3**	**17**

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
For the year ended 31 March 2018				
Deferred tax Assets				
a. Provision for leave salary	51	(13)	-	38
b. Provision for Bonus	4	-	-	4
	55	**(13)**	**-**	**42**
Deferred tax liabilities				
a. Property, plant and equipment and Intangible assets	(56)	20	-	(36)
b. Re-statement of Equity Investments	-	-	(3)	(3)
	(56)	**20**	**(3)**	**(39)**
Net Deferred Tax Asset / (Liability)	**(1)**	**7**	**(3)**	**3**

11 Investments

₹ Lakhs

Particulars	Current					
	As at 31 March 2019			As at 31 March 2018		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
Unquoted Investments						
Investment in Mutual Fund - (Measured at FVTPL)						
- Aditya Birla Sun Life Liquid Fund - Growth	299.01	25,113	75	-	-	-
- Reliance Liquid Fund - Growth	4,539.21	1,765	80	-	-	-
- HDFC Liquid Fund - Dividend Daily Reinvestment	-	-	-	1,019.82	36,909	376
- Birla Sun Life Mutual Fund - Dividend Daily Reinvestment	-	-	-	100.20	4,15,228	416
Total Unquoted Investments			155			792

Notes Forming Part of Financial Statements

12 Trade Receivables

₹ Lakhs

Particulars	Current	
	As at 31 March 2019	As at 31 March 2018
a. Receivable considered good-secured	-	-
b. Receivable considered good-unsecured		
i. Related parties(refer note 36)	1,177	1,156
ii. Others	1	35
	1,178	**1,191**

Note:

The company's receivables are predominantly from its subsidiary companies and joint venture companies. 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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Balances with banks (including deposits with original maturity upto 3 months)		
i. Current account	23	48
b. Cash on hand	1	1
	24	**49**

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 mentioned in above

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Earmarked balances		
Unclaimed Dividend account	47	46
	47	**46**

14 Other Current assets

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Prepaid Expenses	210	196
b. Advance to suppliers	10	-
c. Others	-	4
	220	**200**

Notes Forming Part of Financial Statements

15 Share Capital

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Authorised Share Capital :		
Equity Shares:		
1,50,00,000 Equity Shares of ₹10 each	1,500	1,500
Preference Shares:		
50,00,000 Shares 13.5% Cumulative Redeemable Preference Shares of ₹10 each	500	500
b. Issued Share Capital:		
1,42,77,809 Equity Shares of ₹10 each	1,428	1,428
c. Subscribed Share Capital:		
1,42,77,809 Equity Shares of ₹10 each fully paid-up	1,428	1,428
	1,428	**1,428**

15.1 Reconciliation of number of shares

₹ Lakhs

Particulars	2018-19		2017-18	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the period	1,42,77,809	1,428	1,42,77,809	1,428
Add/Less movement during the year	-	-	-	-
At the end of the period	**1,42,77,809**	**1,428**	**1,42,77,809**	**1,428**

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

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

₹ Lakhs

Class of Shares / Name of the Share holder	As at 31 March 2019		As at 31 March 2018	
	No of shares held	% of holding in shares	No of shares held	% of holding in shares
a. Fully paid up equity shares				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Sundaram Mutual Fund A/c Sundaram Smile Fund	7,18,940	5.04%	6,43,282	4.51%

16 Other Equity

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. General Reserve	27,721	26,034
b. Securities Premium reserve	4,433	4,433
c. Capital redemption reserve	550	550
d. Retained Earnings	8,969	5,724
	41,673	**36,741**

Notes Forming Part of Financial Statements

a. General Reserve

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
General Reserve		
Balance at the beginning of the year	26,034	22,161
Add :Addition during the year	1,687	3,873
Balance at the end of the year	**27,721**	**26,034**

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 2019	As at 31 March 2018
Securities Premium Account	4,433	4,433
Total	**4,433**	**4,433**

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Capital Redemption Reserve	550	550
Total	**550**	**550**

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	**5,724**	**6,405**
Profit attributable to the owners of the company	7,636	4,879
Other comprehensive income - Items that will not be reclassified to profit or loss	53	(12)
Payment of dividends on Equity shares	(2,757)	(1,675)
Transfer to General Reserve	(1,687)	(3,873)
Balance at the end of the year	**8,969**	**5,724**

On February 19, 2019, an interim dividend of ₹ 8 per share (total dividend ₹ 1,142 Lakhs) was paid to the holders of fully paid equity shares.

In respect of the year ended March 31, 2019, the directors propose that a dividend of ₹ 11 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 ₹ 1,571 Lakhs.

Notes Forming Part of Financial Statements

17 Borrowings

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Non - current		
Secured		
Term Loan*	1,897	2,837
Less: Current maturities of non current borrowings	(498)	(922)
Total	**1,399**	**1,915**

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

Loan	As at 31 March 2019	As at 31 March 2018	Details
1. Term loan from Tata Capital Financial Services Limited [TCFSL] on 04 July 2015 (Loan 1)	-	844	During the year ended 31 March 2019, the company made a prepayment of total outstanding loan balance of ₹844 Lakhs.
Less: Current maturities of long term debt	-	(675)	
Total	**-**	**169**	
2. Term loan from Tata Capital Financial Services Limited[TCFSL] on 06 September 2017 (Loan 2)	1,247	1,993	During the year ended 31 March 2019, the company made a prepayment of ₹ 500 lakhs in addition to regular repayment installments amount of ₹ 250 lakhs.
Less: Current maturities of long term debt	(498)	(247)	
Total	**749**	**1,746**	
3. Term from Federal Bank Limited on 25 March 2019	650	-	During the year ended 31 March 2019, the company has availed the Term loan of ₹650 Lakhs from Federal Bank Limited. Repayment in sixteen equal quarterly installments of ₹40.63 Lakhs after the moratorium of 12 months starting from the date of first disbursement.

As at 31 March 2019, the interest rate range from 8.60% p.a to 10.75% p.a

1. The term loans outstanding as at 31 March 2019 which are availed from Tata Capital Financial Services and Federal Bank Limited are secured by a charge created on the company's land located at Chittaranjan Road, Chennai on Pari-passu basis.
2. 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 2019 and 31 March 2018.

18 Trade payables

₹ Lakhs

Particulars	Current	
	As at 31 March 2019	As at 31 March 2018
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprise	206	133
	206	**133**

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 2019 and 31 March 2018.

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

Notes Forming Part of Financial Statements

19 Other Financial liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Current maturities of long term debt	498	922
b. Interest accrued but not due on borrowings	25	46
c. Unclaimed dividends	47	46
d. Employee related payables	289	164
e. Capital creditors	196	16
f. Others (refer note 19.1 below)	61	60
	1,116	**1,254**

19.1 Others include an accured 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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Provision for leave encashment	146	130
	146	**130**

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

21 Other current liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. Statutory remittances	138	128
b. Provision for Gratuity	28	-
	166	**128**

22 Revenue from operations

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Service Fee	3,146	3,019
b. Trade Mark Fee	3,844	3,408
c. Dividend Income	4,605	3,129
	11,595	**9,556**

Note:

1. The disaggregated revenues from contracts with customers by offerings are as per the table above.
2. The table below presents disaggregated revenues from contracts with customers which is recognised based on services rendered by geography.

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue by Geography		
1. India	11,570	9,491
2. Outside India	25	65
Total revenue from contracts with customers	**11,595**	**9,556**

As per the management, the above disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Notes Forming Part of Financial Statements

The company has applied Ind AS 115 'Revenue from contracts with customers' with effect from 1 April 2018. The performance obligations under all service contracts are satisfied when the services are rendered. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

22.1 Trade Receivables

The Company classifies the right to consideration in exchange for services/ deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised as and when the related services are rendered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

22.2 Transaction price allocated to the remaining performance obligation

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

23 Other Income

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Mutual Fund Income	70	125
b. Other Non-operating income	17	1
c. Profit on sale of Investments (Refer note 5.1.5)	1,164	-
d. Net gain on foreign currency transactions	3	-
e. Interest Income from Preference Shares	-	26
f. Profit on sale of property, plant and equipment	-	1
	1,254	**153**

24 Employee benefits expense

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Salaries and wages including bonus	1,241	1,090
b. Contribution to Provident and Other Funds	89	74
c. Contribution to Gratuity	23	26
d. Contribution to Superannuation Fund	20	19
e. Staff Welfare Expenses	115	89
	1,488	**1,298**

25 Finance Costs

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Interest costs:		
Interest on bank overdrafts and loans	234	233
	234	**233**

26 Depreciation and Amortisation Expense

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Depreciation on Property, plant and equipment pertaining to continuing operations (note 2.3.2)	91	109
b. Amortisation of Intangible assets (note 2.3.3)	22	19
	113	**128**

Notes Forming Part of Financial Statements

27 Other Expenses

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Power and Fuel	32	33
b. Rent expense	108	104
c. Travelling and Conveyance	121	127
d. Repairs and Maintenance		
- Buildings	115	83
- Others	38	38
e. Insurance	38	34
f. Rates and Taxes, excluding taxes on income	18	12
g. Auditors' Remuneration (Refer note-27.1)	28	32
h. Directors' Fees	13	14
i. Information Systems expenses	661	603
j. Professional Charges (Refer note 36)	578	613
k. Advertisement and Sales Promotion	48	108
l. Printing and Stationery	20	28
m. Postage and Telecom expenses	20	19
n. Donation	133	124
o. Chairman Emeritus & CMD Commission(Refer note 36)	257	162
p. Bank charges	1	1
q. Miscellaneous Expenses	**36**	**36**
	2,265	**2,171**

27.1 Payment to auditors

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a) For audit	17	17
b) For taxation matters	1	1
c) For other services	10	14
	28	**32**

28 Tax Reconciliation

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Income taxes relating to continuous operations		
Income tax recognised in profit or loss		
In respect of current year	1,124	1,007
	1,124	**1,007**
Deferred tax		
In respect of current year	(11)	(7)
Deferred tax recognised in profit or loss	**(11)**	**(7)**
	1,113	**1,000**

Notes Forming Part of Financial Statements

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

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax from continuing operations	8,749	5,879
Income Tax expense calculated at 29.120% (2017-18: 34.608%)	2,548	2,035
Effect of income chargeable at special rates (Capital Gains)	(170)	-
Effect of income that is exempt from taxation:		
Dividend from subsidiaries, joint ventures operations,mutual funds	(1,352)	(1,135)
Effect of expenses that are added in determining taxable profit	87	100
	1,113	**1,000**

Income tax relating to other comprehensive income:

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Equity instruments through other comprehensive income	3	(3)
	3	**(3)**

29.1 Expenditure in Foreign Currency

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Professional and consultation fees	31	30
Travel	5	9
	36	**39**

29.2 Income in Foreign Currency

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Service Fee Income	38	71
	38	**71**

30 Remittance during the year of Dividends in Foreign Currency

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interim Dividend		
Number of Shareholders	1	1
Number of Shares held	5,41,125	5,41,125
Amount paid as Interim Dividend (₹ Lakhs)	**43**	**30**
Year for which dividend is remitted	2018-19	2017-18
Final Dividend		
Number of Shareholders	1	1
Number of Shares held	5,41,125	5,41,125
Amount paid as Final Dividend (₹ Lakhs)	**49**	**27**
Year for which dividend is remitted	2017-18	2016-17

Notes Forming Part of Financial Statements

31 Contingent Liabilities and Commitments

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
31.1 Contingent Liabilities to the extent not provided for		
Disputed demands under appeal (Refer below)	1,145	1,618
1. Income Tax Act	1,098	1610
Less: Deposits made under protest	(294)	(294)
Net Amount	804	1,316
2 .Service Tax	41	2
Less: Deposits made under protest	(2)	(2)
Net Amount	39	-
3. Customs Duty	6	6
Future cash flows in respect of the above matters are determinable only on receipt of judgements/ decisions pending at various forums/authorities.		
31.2 Commitments		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for	260	206
ii Uncalled liability on investment in Auto Tech I, L.P for USD 5 Million over 5 years	1,591	2,219
iii. Rane (Madras) Limited (RML), a subsidiary company, issued and alloted 3,65,630 equity shares of ₹ 10/- each pursuant to conversion of 3,65,630 warrants held and excersied by the company by paying the entire balance of 75% of issue price amounting to ₹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 ₹ 89 Lakhs (for the year ended 31 March 2018: ₹ 80 Lakhs) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2019, contributions of ₹ 20 Lakhs (as at March 31, 2018: ₹ 13 Lakhs) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

Notes Forming Part of Financial Statements

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 rate 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:

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Components of employer expense		
Current service cost	24	25
Interest cost	29	26
Expected return on plan assets	(30)	(27)
Actuarial losses/(gains)	14	17
Total expense recognised in the Statement of Profit and Loss	**37**	**41**
Actual contribution and benefit payments for year		
Actual benefit payments	(17)	(76)
Actual contributions	9	58
Change in Defined Benefit Obligations (DBO) during the year		
Present value of DBO at beginning of the year	390	396
Current service cost	24	25
Interest cost	29	26
Actuarial (gains) / losses	14	19
Past service cost	-	-
Benefits paid	(17)	(76)
Present value of DBO at the end of the year	**440**	**390**
Change in fair value of assets during the year		
Plan assets at beginning of the year	390	382
Expected return on plan assets	30	27
Actual company contributions	9	58
Actuarial gain / (loss)	-	(1)
Benefits paid	(17)	(76)
Plan assets at the end of the year	**412**	**390**

Notes Forming Part of Financial Statements

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	440	390
Fair value of plan assets	412	390
Funded status [Surplus / (Deficit)]	28	-
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	**28**	**-**
Actuarial assumptions		
Discount rate	7.58%	7.71%
Expected return on plan assets	7.58%	7.71%
Salary escalation	8.00%	8.00%
Attrition	3.00%	2.00%
Experience Adjustments		
Present Value of Obligation	440	390
Plan Assets	412	390
Surplus / (Deficit)	**28**	**-**
Experience Adjustments on Plan liabilities- (loss)/gain	(14)	(19)
Experience Adjustments on Plan assets- (loss)/gain	-	(1)
Enterprises' best estimate of contribution during the next year	(28)	-
Actual Return on Plan Assets		
Expected return on plan assets	30	27
Actuarial gain (loss) on plan assets	-	1
Actual return on plan assets	30	28

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.

Notes Forming Part of Financial Statements

Sensitivity Analysis

₹ Lakhs

Change in assumption	31 March 2019	31 March 2018
A. Discount Rate + 50 BP	8.08%	8.21%
Defined Benefit Obligation [PVO]	430	380
Current Service Cost	28	23
B. Discount Rate - 50 BP	7.08%	7.21%
Defined Benefit Obligation [PVO]	450	400
Current Service Cost	30	25
C. Salary Escalation Rate +50 BP	8.50%	8.50%
Defined Benefit Obligation [PVO]	450	400
Current Service Cost	30	25
D. Salary Escalation Rate -50 BP	7.50%	7.50%
Defined Benefit Obligation [PVO]	430	380
Current Service Cost	28	23

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 benefit obligation is 5.0 years (2018 - 5.3 years). The expected maturity analysis of undiscounted gratuity is as follows:

₹ Lakhs

Particulars	31 March 2019	31 March 2018
Year 1	232	200
Year 2	51	38
Year 3	7	10
Year 4	41	5
Year 5	10	38
Next 5 Years	94	107

(b) Compensated absences

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

The amount of provision of ₹ 146 Lakhs (March 31, 2018 - ₹ 130 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.

Notes Forming Part of Financial Statements

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

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial assumptions for long-term compensated absences		
Discount rate	7.58%	7.71%
Salary escalation	8.00%	8.00%
Attrition	3.00%	2.00%

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 factors.

33 Earnings per share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
a. Basic Earning per share (₹)	53	34
b. Diluted Earnings per share (₹)	53	34
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earning per share (₹Lakhs)	7,636	4,879
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 ₹ 93.07 Lakhs (₹ 75.40 Lakhs)

ii. Amount spent during the year on revenue expenditure is ₹ 123.00 Lakhs (₹ 125.40 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 ₹ 9 Lakhs for the year ended 31st March 2019 (PY ₹ 16 lakhs)

Non-cancellable Leases :

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

The payments under Non - cancellable operating leases for the year ended 31 March 2019 is ₹ 231 lakhs considered under other expenses out of which ₹ 132 lakhs is included in IS expenses and ₹ 99 lakhs is included in Rent

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Office Equipments and Cars are taken on lease for a period ranging from one year to five years and are renewable at the option of the Company.		
Lease Rental debited to the Statement of Profit and Loss	231	189
Future minimum lease payments		
- not later than one year	201	158
- later than one year and not later than five years	244	173
- later than five years	-	-
	676	**520**

Notes Forming Part of Financial Statements

36 Related Party Disclosures

	Description of relationship	Name of the related Party 2018-19	Name of the related Party 2017-18
(a)	List of related parties where control exists		
	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
		Rane t4u Pvt Ltd	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 (Ceased to be in Joint Venture from 14 November 2018)	JMA Rane Marketing Limited
(b)	Other Related parties where transactions has taken place		
	Key Management Personnel (KMP)	Mr. L Ganesh	Mr. L Ganesh
		Mr. Harish Lakshman	Mr. Harish Lakshman
	Relative of KMP	Mr. L Lakshman	Mr. L Lakshman
	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(c)	Post employment benefit plans	Rane Holdings Limited Gratuity Fund	Rane Holdings Limited Gratuity Fund
		Rane Holdings Limited Senior Executives Superannuation Fund	Rane Holdings Limited Senior Executives Superannuation Fund

Notes Forming Part of Financial Statements

Details of Related Party transactions :

₹ Lakhs

Particulars	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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Transaction during the year												
Fee for Services rendered												
Rane (Madras) Limited	828	798										
Rane Engine Valve Limited	426	403										
Rane Brake Lining Limited	407	395										
Rane Precision Diecast Inc. (RPDC)	25	65										
Rane TRW Steering Systems Private Limited			774	649								
Rane NSK Steering Systems Private Limited			686	595								
Trademark Fee												
Rane (Madras) Limited	645	574										
Rane Engine Valve Limited	206	185										
Rane Brake Lining Limited	269	252										
Rane TRW Steering Systems Private Limited			1326	1103								
Rane NSK Steering Systems Private Limited			1398	1294								
Dividend Received												
Rane (Madras) Limited	821	634										
Rane Engine Valve Limited	-	86										
Rane Brake Lining Limited	566	565										
Rane TRW Steering Systems Private Limited			1442	1114								
Rane NSK Steering Systems Private Limited			1754	789								
JMA Rane Marketing Limited			22	22								
Salary and Other Perquisites												
L Ganesh					154	137						
Commission												
L Ganesh					157	62						
L Lakshman							100	100				
Sitting Fees												
L Lakshman							2	2				
Harish Lakshman					3	2						
Advisory Fee												
L Lakshman							100	100				
Other Reimbursements												
Rane TRW Steering Systems Private Limited			-	23								
Rane Engine Valve Limited	4	3										
Donation												
Rane Foundation									114	110		
Post Employment Benefit Plan												
Rane Holdings Limited Gratuity Fund											23	46
Rane Holdings Limited Senior Executives Superannuation Fund											20	20

Notes Forming Part of Financial Statements

Breakup of related party balances as per party wise:

₹ Lakhs

Particulars	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	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Payables												
Rane (Madras) Limited	31	5										
Rane Engine Valve Limited	24	2										
Rane Brake Lining Limited	23	17										
Rane Precision Diecast Inc. (RPDC)	1	-										
Rane TRW Steering Systems Private Limited			27	49								
Rane NSK Steering Systems Private Limited			18	18								
Commisison												
L Ganesh					157	62						
L Lakshman							-	-				
Post Employment Benefit Plan												
Rane Holdings Limited Gratuity Fund											28	-
Rane Holdings Limited Senior Executives Superannuation Fund"											2	1
Receivables												
Rane (Madras) Limited	238	181										
Rane Engine Valve Limited	195	179										
Rane Brake Lining Limited	86	87										
Rane Precision Diecast Inc. (RPDC)	15	24										
Rane TRW Steering Systems Private Limited			426	360								
Rane NSK Steering Systems Private Limited			342	417								

Notes Forming Part of Financial Statements

37. Financial Instruments

37.1 Capital management

The company manages it's capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation 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.

37.1.1 Gearing ratio

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Debt *	1,897	2,837
Cash and bank balances	(24)	(49)
Net debt	1,873	2,788
Total Equity**	43,100	38,169
Net debt to equity ratio (in times)	**0.04**	**0.07**

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

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

37.2 Categories of financial instruments

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Current Investment	155	792
Measured at amortised cost		
(a) Trade Receivables	1,178	1,191
(b) Cash and bank balances	71	95
(c) Loans receivables	2	7
(d) Other financial assets	11	11
Measured at FVTOCI		
(a) Investments in equity instruments designated upon initial recognition	1,868	1,027
Financial liabilities		
Measured at amortised cost		
Borrowings	1,897	2,837
Trade Payables	206	133
Other Financial Liabilties	618	332

Note: Invesment in subsidiaries and Joint Ventures ₹ 31,725 Lakhs (₹ 28,426 Lakhs) is shown at cost in balance sheet as per the Ind AS 27 "Separate Financial Statements"

Notes Forming Part of Financial Statements

37.2.1 Fair value of financial assets measured at FVTPL and FVTOCI (Refer 37.2):

₹ Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
a. Mutual fund Investments (quoted)	155	792	1	Fair value is determined based on Net Assets Value published by respective funds
b. Investments in equity instruments designated upon initial recognition	1,868	1,027	3	Carrying value approximates fair value

37.3 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.

37.4 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.

37.5 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:

USD in Lakhs

Currency	Assets as at March 31, 2019	Assets as at March 31, 2018
USD	27	16
Total	**27**	**16**

37.5.1 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.

₹ Lakhs

Particulars	Currency USD impact 2018 - 2019	Currency USD impact 2017 - 2018
Impact on profit or loss for the year	94	53
Impact on total equity as at the end of the reporting period	**67**	**34**

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.

Notes Forming Part of Financial Statements

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.

37.6 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.

37.6.1 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 March 31, 2019 would decrease/increase by ₹ 9.49 Lakhs (₹ 9.56 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.

37.7 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.

37.7.1 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 March 31, 2019 would increase/decrease by ₹ 93.39 Lakhs (₹ 51.32 Lakhs) as a result of the changes in fair value of equity investments which have been irrevocably designated at FVTOCI

37.8 Credit risk management

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

37.9 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.

37.9.1 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.

Notes Forming Part of Financial Statements

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019

₹ Lakhs

Particulars	As at 31 March 2019					
	Carrying amount	Less than 1 year	1-3 years	3 - 5 years	5 or more years	Total contractual cash flows
Borrowings	1,399	-	1,075	324	-	1,399
Interest on borrowings	25	25	-	-	-	25
Current Maturities of long term debt	498	498	-	-	-	498
Trade Payables	206	206	-	-	-	206
Other Financial Liabilities	593	593	-	-	-	593
Total	**2,721**	**1,322**	**1,075**	**324**	**-**	**2,721**

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					
	Carrying amount	Less than 1 year	1-3 years	3 - 5 years	5 or more years	Total contractual cash flows
Borrowings	1,915	-	1,169	746	-	1,915
Interest on borrowings	46	46	-	-	-	46
Current Maturities of long term debt	922	922	-	-	-	922
Trade Payables	133	133	-	-	-	133
Other Financial Liabilities	286	286	-	-	-	286
Total	**3,302**	**1,387**	**1,169**	**746**	**-**	**3,302**

37.10 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.

₹ Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	1,178	1,178	1,191	1,191
- others	12	12	11	11
Total	**1,190**	**1,190**	**1,202**	**1,202**
Financial liabilities				
Financial liabilities held at amortised cost:				
Bank loans	1,399	1,399	1,915	1,915
Trade payables	206	206	133	133
Current maturities of long-term debt	498	498	922	922
Interest accrued but not due on borrowings	25	25	46	46
Unclaimed dividends	47	47	46	46
Employee related payables	289	289	164	164
Capital creditors	196	196	16	16
Others	61	61	60	60
Total	**2,721**	**2,721**	**3,302**	**3,302**

Notes Forming Part of Financial Statements

Fair value hierarchy

₹ Lakhs

Particulars	As at 31 March 2019		As at 31 March 2018	
	Level 3	Total	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	1,178	1,178	1,191	1,191
- others	12	12	11	11
Total	**1,190**	**1,190**	**1,202**	**1,202**
Financial liabilities				
Financial liabilities held at amortised cost:				
Bank loans	1,399	1,399	1,915	1,915
Trade payables	206	206	133	133
Current maturities of long-term debt	498	498	922	922
Interest accrued but not due on borrowings	25	25	46	46
Unclaimed dividends	47	47	46	46
Employee related payables	289	289	164	164
Capital creditors	196	196	16	16
Others	61	61	60	60
Total	**2,721**	**2,721**	**3,302**	**3,302**

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.

38. 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".

39. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 27, 2019.

40. Previous year's figure

The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

For and on behalf of the Board

Harish Lakshman
Vice Chairman
DIN: 00012602

L Ganesh
Chairman and Managing Director
DIN: 00012583

Chennai
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Independent Auditor's Report

To The Members of Rane Holdings Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Rane Holdings Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit in its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1	Deferred Tax Assets in Rane Engine Valve Limited (REVL), a subsidiary: REVL has recognised deferred tax assets on deductible temporary differences of ₹ 5.99 Crores, unused tax losses (unabsorbed depreciation) of ₹ 6.63 Crores and for unused tax credits (MAT credit) of ₹ 3.95 Crores, that it believes are recoverable. The recoverability of recognised deferred tax assets is dependent on the REVL's ability to generate future taxable profits sufficient to utilise the deductible temporary differences and tax losses and to set off the unused tax credits as above. This has been determined to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences. Refer Note No. 12 to the Consolidated Financial Statements.	The deferred tax asset has been recorded in the books of a component audited by other auditors. The Principal Auditors have used the work of Component Auditors. The Component Auditor has reported that they have performed these procedures: The audit procedures in this area included, among others: – reconciling tax losses/ credits and expiry dates to tax statements; – assessing the accuracy of forecasts of future taxable profits by comparing the assumptions, such as projected growth rates, and their consistency with business plans and forecasts used for impairment testing purposes – evaluating the adequacy of disclosures in the financial statements.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other

auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.

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

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of 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 and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group (and of its joint ventures) are responsible for assessing the ability of the Group (and of its joint ventures) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

(a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of ₹ 82,537.50 lakhs as at 31 March 2019, total revenues of ₹114,855.25 lakhs and net cash outflows amounting to ₹ 159.28 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹3,373.65 lakhs for the year ended 31 March 2019, as considered in the consolidated 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 financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures and our report in terms of subsection (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 statements reflect total assets of ₹7,590.95 lakhs as at 31 March 2019, total revenues of ₹135.99 lakhs and net cash inflows amounting to ₹ 420.89 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹42.02 lakhs for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 are not material to the Group.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Parent as on 31 March 2019 taken on record by the Board of Directors of the Company 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, joint venture companies incorporated in India is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

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

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

    i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, and joint ventures.

    ii) the Group, 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 incorporated in India.

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

Ananthi Amarnath
Partner
(Membership No. 209252)

Place: Chennai
Date: May 27, 2019

Annexure "A" to The Independent Auditor's Report
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Rane Holdings Limited (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of its 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 its 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 the other auditors of the subsidiary companies and its 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 other auditors referred to in the Other Matters paragraph below, the 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 March 31, 2019, 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 insofar as it relates to three subsidiary companies and one joint ventures, 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)

Ananthi Amarnath
Partner
(Membership No. 209252)

Place: Chennai
Date: May 27, 2019

Consolidated Balance Sheet

as at March 31, 2019

₹ Lakhs

Particulars	Note No.	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
a. Property, plant and equipment	3	70,778	71,049
b. Capital work-in-progress	3	3,339	2,788
c. Investment property	4	31	31
d. Goodwill	5	7,395	7,395
e. Other Intangible assets	6	1,566	2,059
f. Financial assets			
i. Investments in Joint Venture	7	36,423	32,907
ii. Other Investments	7	2,083	1,031
iii. Loan Receivables	8	-	1
iv. Other Financial assets	9	3,447	3,438
g. Deferred tax assets (Net)	12	2,330	1,325
h. Income tax assets (Net)	10	2,938	2,506
i. Other non-current assets	11	3,370	2,149
Total Non-current assets		**1,33,700**	**1,26,679**
Current assets			
a. Inventories	13	30,348	24,806
b. Financial assets			
i. Investments	7	155	792
ii. Trade receivables	14	47,780	45,618
iii. Cash and cash equivalents	15.a	3,560	2,834
iv. Bank balance other than mentioned in Cash and cash equivalents	15.b	99	95
v. Loan Receivables	8	27	28
vi. Other Financial assets	9	899	981
c. Other current assets	11	5,926	6,727
Total Current assets		**88,794**	**81,881**
Total Assets		**2,22,494**	**2,08,560**
Equity and Liabilities			
Equity			
a. Equity Share capital	16	1,428	1,428
b. Other equity	17	85,139	78,969
Equity attributable to owners of the Company		**86,567**	**80,397**
Non-Controlling Interest	18	25,421	25,751
Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	19	19,322	20,507
ii. Other financial liabilities	20	5	5
b. Provisions	21	1,615	1,468
c. Deferred tax liabilities (Net)	12	1,219	763
d. Other non-current liabilities	22	405	493
Total Non-current liabilities		**22,566**	**23,236**
Current liabilities			
a. Financial liabilities			
i. Borrowings	19	30,761	25,038
ii Trade payables	24		
a. Total outstanding dues of micro enterprises and small enterprises		1,886	2,216
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		36,568	37,506
iii Other financial liabilities	20	12,404	8,708
b. Other current liabilities	22	4,337	3,896
c. Provisions	21	1,984	1,623
d. Current tax liabilities (Net)	23	-	189
Total Current liabilities		**87,940**	**79,176**
Total Liabilities		**1,10,506**	**1,02,412**
Total Equity and Liabilities		**2,22,494**	**2,08,560**

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

₹ Lakhs

Sl No	Particulars	Note No.	Year Ended 31 March 2019	Year Ended 31 March 2018
I	Revenue from operations	25	2,54,907	2,34,184
II	Other income	26	2,122	1,725
III	**Total Income (I+II)**		**2,57,029**	**2,35,909**
IV	**Expenses**			
	Cost of materials consumed	27	1,36,608	1,19,352
	Purchase of Stock-in-trade	28	1,876	1,090
	Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade	29	(2,622)	(1,937)
	Excise duty on sale of goods		-	4,701
	Employee benefits expense	30	44,594	40,676
	Finance costs	31	4,810	4,405
	Depreciation and amortisation expense	32	12,612	11,775
	Other expenses	33	51,481	46,379
	Total expenses		**2,49,359**	**2,26,441**
V	**Profit before share of profit of joint venture and associate and exceptional items (III-IV)**		**7,670**	**9,468**
VI	**Share of Profit of Joint Ventures**		**11,954**	**12,662**
VII	**Profit before exceptional items and tax (V+VI)**		**19,624**	**22,130**
VIII	**Exceptional items**	41	**(91)**	**1,410**
IX	**Profit before tax (After Exceptional Items) (VII+VIII)**		**19,533**	**23,540**
X	**Tax expense**	34		
	a) Current tax		9,444	10,040
	b) Deferred tax		(1,493)	(1,349)
	c) Provision for tax relating to earlier years		-	(3)
			7,951	**8,688**
XI	**Profit for the year (IX - X)**		**11,582**	**14,852**
	Attributable to:			
	Owners of the parent		**10,373**	**13,029**
	Non- controlling interest		**1,209**	**1,823**
XII	**Other Comprehensive Income**			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement losses on defined benefit plans		(349)	(207)
	(b) Net movement on cash flow hedges		-	(4)
	(c) Net gain on FVOCI equity securities		63	11
	(d) Income tax relating to items that will not be reclassified to profit or loss		55	12
			(231)	**(188)**
	ii) Items that will be reclassified to profit or loss			
	(a) Net movement on cash flow hedges		(60)	79
	(b) Income tax relating to items that will be reclassified to profit or loss		11	(27)
	(c) Exchange differences on translation of foreign operations		261	(427)
			212	**(375)**
XIII	**Total Other Comprehensive Income (net of tax)**		**(19)**	**(563)**
XIV	**Total Comprehensive Income for the year (XI + XII)**		**11,563**	**14,289**
	Attributable to:			
	Owners of the parent		**10,397**	**12,651**
	Non- controlling interest		**1,166**	**1,638**
XV	**Earnings per equity share**			
	Basic & Diluted (in ₹)	44	73	91

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Consolidated Statement of Changes In Equity

for the year ended March 31, 2019

A. Equity Share Capital

₹ Lakhs

Particulars	Amount
Balance as at 31 March 2017	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2018	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2019	**1,428**

B. Other Equity

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Securities Premium Reserve	Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Other Reserve: Foreign Currency Translation Reserve	Other Reserve: Hedge Reserve	Other Reserve: Total	Total Equity
Balance as at 31 March 2017	29,570	32,534	803	69	4,763	(10)	2,069	69,798	100	5	105	69,903
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)	-	-	-	-	-	-	-	-	-	-
Effect on retained earnings due to acquisition of subsidiary	-	80	-	-	-	-	-	80	-	-	-	80
Addition due to increase in share holdings in subsidiaries	527	39	19	-	(2,316)	(1)	-	(1,732)	7	-	7	(1,725)
Balance as at 31 March 2018	**36,098**	**37,092**	**1,319**	**69**	**2,447**	**(11)**	**2,069**	**79,083**	**(150)**	**36**	**(114)**	**78,969**
Profit for the year	-	10,373	-	-	-	-	-	10,373			-	10,373
Other comprehensive income for the year (net of tax)	-	(101)	-	-	-	-	-	(101)	163	(36)	125	26
Payment of Dividends	-	(2,770)	-	-	-	-	-	(2,770)	-	-	-	(2,770)
Tax on Dividend	-	(290)	-	-	-	-	-	(290)	-	-	-	(290)
Transfer from Capital reserve on consolidation	-	298	-	-	-	-	(298)	-	-	-	-	-
Transfer to General Reserves	3,681	(3,681)	-	-	-	-	-	-	-	-	-	-
Addition due to increase in share holdings in subsidiaries	685	(1,190)	16	-	(677)	-	-	(1,166)	(3)	-	(3)	(1,160)
Balance as at 31 March 2019	**40,464**	**39,731**	**1,335**	**69**	**1,770**	**(11)**	**1,771**	**85,129**	**10**	**-**	**8**	**85,139**

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Statement of Consolidated Cash Flows

for the year ended March 31, 2019

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Cash flows from operating activities		
Profit for the year	**11,582**	**14,852**
Adjustments for:		
Income Tax expenses recognised in P&L	7,951	8,688
Depreciation and amortisation of non-current assets	12,612	11,775
Gain on disposal of property, plant and equipment	(12)	(31)
Deferred revenue on government grant	(214)	(170)
Share of profit of Joint venture	(11,954)	(12,662)
Gain on disposal of investment in Joint Venture	(63)	-
Loss on disposal of property, plant and equipment	27	74
Finance costs	4,810	4,405
Liability no longer required written back	(519)	(353)
Provision for Doubtful Debts/Advances	621	72
Advances Written Off	31	-
Dividend Income from Current Investments	(101)	(135)
Exceptional items - Profit on land swap	-	(1,574)
Translation (gain) or loss on fixed asset	(465)	(21)
Net foreign exchange gain or (loss)	41	27
Foreign currency translation reserve	261	(427)
Interest income accrued	(257)	(129)
Movements in working capital:		
(Increase)/decrease in inventory	(5,545)	(3,772)
(Increase)/decrease in trade or other receivables	(2,896)	(9,990)
(Increase)/decrease in short-term loans and advances	-	12
(Increase)/decrease in long-term loans and advances	1	4
(Increase)/decrease in other long term financial assets	(9)	(911)
(Increase)/decrease in other short term financial assets	39	(41)
(Increase)/decrease in other non current assets	(1,005)	244
(Increase)/decrease in other current assets	801	(1,711)
Increase/(decrease) in trade payables	(739)	7,593
Increase/(decrease) in long term provisions	147	(86)
Increase/(decrease) in short term provisions	362	126
Increase/(decrease) in other non-current liabilities	126	(164)
Increase/(decrease) in other current liabilities	85	(716)
Increase/(decrease) in other non current financial liabilities	-	(88)
Increase/(decrease) in other current financial liabilities	281	1,719
Increase/(decrease) in cash balance not considered as cash and cash equivalents	(3)	965
Cash generated from operations	**15,918**	**17,657**
Income taxes paid	(4,943)	(4,470)
Net cash generated from operations	**10,975**	**13,187**

Statement of Consolidated Cash Flows

for the year ended March 31, 2019

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Cash flows from investing activities		
Payments for property, plant, equipment and intangible assets	(12,025)	(12,432)
Proceeds from disposal of property, plant & equipment	170	19
Current year additions on acquisition of subsidiary	-	45
Sale of long term investments	1,200	92
Proceeds from/(Purchase of) current investments	637	4,481
Dividend Income from Joint Venture	3,218	1,925
Interest received	269	156
Dividend Income from Current Investments	101	135
Purchase of long term investments	(2,238)	(1,016)
Net cash used in Investing activities	**(8,668)**	**(6,595)**
Cash flows from financing activities		
Borrowings taken	7,630	3,032
Repayment of redeemable preference shares	-	(249)
Dividends paid on equity shares	(4,476)	(3,285)
Interest paid	(4,735)	(4,478)
Net cash used in financing activities	**(1,581)**	**(4,980)**
Net increase in cash or cash equivalents	726	1,612
Cash and cash equivalents at the beginning of the year	2,834	1,222
Cash and cash equivalents at the end of the year (Refer Note 15 a.)	**3,560**	**2,834**

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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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. Significant Accounting Policies

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.

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

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

Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Group has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material.

2. 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 and Joint Ventures used in the consolidation are drawn up to the same reporting date as that of the holding Company i.e. 31 March 2019.

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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangements have the rights to the net assets of the joint arrangement.

The results of the Joint ventures 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.

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.

- 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.

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.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 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.

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

- 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 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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 realisable 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 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

The Group derives revenues primarily from various products and services related to manufacture and supply of auto components and providing technological services for transportation industry. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

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

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

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. 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 recognised 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

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 categorised 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 recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilised for Research and Development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

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.

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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 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 recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognised 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 amortised cost**

A financial asset is subsequently measured at amortised 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 amortised cost using the effective interest rate 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 derecognises 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 derecognised from the Group's

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 categorised within the fair value hierarchy, categorised 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).

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

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also provides consultancy and other services to the Group.

28. Subsequent Events

The Group evaluated all events and transactions that occurred after 31 March 2019 through 27 May 2019, 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 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.

29.1. 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.

29.2 Useful lives of property, plant and equipment

As described at Note 2 (Sl 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 Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

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 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 recognised 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) Amendments to Ind AS 12 - Income Taxes

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

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

b) Amendment to Ind AS 19 - Employee Benefits

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

c) New Accounting Standard : Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. The Group is currently evaluating the effect of the above on its financial statements.

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

a. Property, Plant and Equipment

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Freehold land	11,200	11,200
Buildings	14,916	14,524
Plant and equipment	43,533	43,933
Computer and Accessories	102	104
Furniture and Fixtures	263	371
Office Equipments	636	763
Vehicles	102	123
Electrical equipments	25	31
	70,778	**71,049**
b. Capital Work-in-progress	**3,339**	**2,788**

₹ Lakhs

Particulars	Freehold land	Buildings	Plant and Machinery	Computers and Accessories	Furniture and Fixtures	Office Equipments	Vehicles	Electrical equipments	Total
Cost or Deemed Cost									
Balance as at 31 March 2017	**11,192**	**14,885**	**53,277**	**174**	**523**	**906**	**165**	**52**	**81,174**
Additions	11	951	9,975	9	53	493	36	6	11,534
Disposals	(3)	-	(107)	(1)	(7)	(12)	(10)	-	(140)
Effect of foreign currency exchange differences	-	-	43	-	-	2	-	-	45
Acquisition through Business combination (Refer Note 3.5)	-	-	22	70	180	52	34	-	358
Balance at 31 March 2018	**11,200**	**15,836**	**63,210**	**252**	**749**	**1,441**	**225**	**58**	**92,971**
Additions	-	1,138	9,913	61	63	250	29	-	11,454
Disposals	-	(1)	(196)	(5)	(55)	(2)	(19)	-	(278)
Effect of foreign currency exchange differences	-	-	615	-	-	12	-	-	627
Balance at 31 March 2019	**11,200**	**16,973**	**73,542**	**308**	**757**	**1,701**	**235**	**58**	**1,04,774**

Notes Forming Part of Consolidated Financial Statements

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₹ Lakhs

Particulars	Freehold land	Buildings	Plant and Machinery	Computers and Accessories	Furniture and Fixtures	Office Equipments	Vehicles	Electrical equipments	Total
Accumulated depreciation and impairment									
Balance as at 31 March 2017	-	646	9,196	66	163	316	39	19	10,445
Depreciation expense	-	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 3.5)	-	-	14	22	59	19	31	-	145
Balance at 31 March 2018	**-**	**1,312**	**19,277**	**148**	**378**	**678**	**102**	**27**	**21,922**
Depreciation expense / impairment expense	-	745	10,591	63	167	387	47	5	12,005
Eliminated on disposals	-	-	(18)	(5)	(51)	(2)	(17)	-	(93)
Effect of foreign currency exchange differences	-	-	159	-	-	2	1	-	162
Balance at 31 March 2019	**-**	**2,057**	**30,009**	**206**	**494**	**1,065**	**133**	**32**	**33,996**
Carrying amount as on 31 March 2018	**11,200**	**14,524**	**43,933**	**104**	**371**	**763**	**123**	**31**	**71,049**
Carrying amount as on 31 March 2019	**11,200**	**14,916**	**43,533**	**102**	**263**	**636**	**102**	**26**	**70,778**

Note:

3.1. All the land and buildings held by RHL as on 31 March 2019 and 31 March 2018 are free of lien except land mortgaged for loan availed from Tata Capital Financial Services Limited & Federal Bank Limited (refer Note - 19.5)

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 19.1

3.4. In respect of REVL: Property, Plant and Equipment pledged as security is specified in Borrowings note no 19.2

3.5. Acquisition through Business combination represents opening balance of Rane t4u Private Limited acquired during the previous year by RHL

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

4 Investment Property

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Investment property - Land	31	31
	31	**31**

4.1 Fair value of the Company's investment property :

₹ Lakhs

Particulars	Level 2 (Guideline Value)	
	31 March 2019	31 March 2018
Fair Value	**54**	**54**

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cost or deemed cost	7,395	7,395
Accumulated impairment losses	-	-
	7,395	**7,395**

₹ Lakhs

Particulars	Amount
Cost or deemed cost	
Balance at 31 March 2017	7,030
Additions	365
Disposals	-
Balance at 31 March 2018	**7,395**
Additions	-
Disposals	-
Balance at 31 March 2019	**7,395**
Accumulated impairment losses	
Balance at 31 March 2017	-
Impairment losses recognised in the year	-
Additions	-
Disposals	-
Balance at 31 March 2018	-
Impairment losses recognised in the year	-
Additions	-
Disposals	-
Balance at 31 March 2019	**-**

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For impairment testing the carrying amount of goodwill was allocated to cash generating units as follows:

₹ Lakhs

	As at 31 March 2019	As at 31 March 2018
Rane (Madras) Limited	2,844	2,844
Rane Precision Die Casting Inc.	196	196
Rane Engine Valve Limited	3,874	3,874
Rane Brake Lining Limited	114	114
Rane Holdings Europe GmbH	2	2
Rane t4u Private Limited	365	365
	7,395	**7,395**

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

Particulars	Current	
	As at 31 March 2019	As at 31 March 2018
Carrying amounts of:		
Software Licence	1,292	1,627
Technical-know how	248	388
Customer Relationship	26	44
	1,566	**2,059**

₹ Lakhs

Particulars	Software License	Technical know-how	Customer Relationship	Total
Cost or Deemed Cost				
Balance as at 31 March 2017	303	33	-	336
Additions	106	407	-	513
Disposals	-	-	-	-
Acquisition through Business combination (Refer Note 6.2)	1,595	-	50	1,645
Balance as at 31 March 2018	**2,004**	**440**	**50**	**2,494**
Additions	114	-	-	114
Disposals	-	-	-	-
Balance as at 31 March 2019	**2,118**	**440**	**50**	**2,608**

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₹ Lakhs

Particulars	Software License	Technical know-how	Customer Relationship	Total
Accumulated depreciation and impairment				
Balance as at 31 March 2017	70	14	-	84
Amortisation expense	121	38	-	159
Elimination on disposals	-	-	-	-
Acquisition through Business combination (Refer Note 6.2)	186	-	6	192
Balance as at 31 March 2018	**377**	**52**	**6**	**435**
Amortisation expense	449	140	18	607
Elimination on disposals	-	-	-	-
Balance as at 31 March 2019	826	192	24	1,042
Carrying amount as on 31 March 2018	**1,627**	**388**	**44**	**2,059**
Carrying amount as on 31 March 2019	**1,292**	**248**	**26**	**1,566**

Notes:

6.1. During the year 2017-18, 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 that company's net assets.

6.2. Acquisition through Business combination represents opening balance of Rane t4u Private Limited acquired during the year 2017-18 by RHL recognised at fair value

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7 Investments

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
I. Unquoted Investments:				
A. Joint Venture Companies (Refer note 7.6)				
Rane TRW Steering Systems Private Limited	20,190	17,180	-	-
(43,69,123 shares of ₹10 each)				
Rane NSK Steering Systems Private Limited	16,233	14,609	-	-
(87,71,000 shares of ₹10 each)				
JMA Rane Marketing Limited	-	1,118	-	-
(3,60,003 shares of ₹ 10 each) (Refer note 7.2)				
	36,423	**32,907**	**-**	**-**
B. Investments in Equity Instruments at cost:				
TCW Wind Power Private Limited (Refer note 7.4)	0.05	-	-	-
(462 shares of ₹ 10 each for the year ended 31 March 2019 and Nil as on 31 March 2018)				
Clean Wind Power (Manvi) Private Limited	5	5	-	-
(43,200 shares of ₹ 10 each for the year ended 31 March 2019 and 31 March 2018)				
Capsol Energy Private Limited	210	-	-	-
(21,00,000 shares of ₹ 10 each for the year ended 31 March 2019 and Nil as on 31 March 2018)				
CWRE Wind Power Private Limited				
(308 Equity shares of ₹10 each for the year ended 31 March 2019)	0.03	-	-	-
C. Investments in Equity at FVTOCI:				
AutoTech Fund I, L.P (Refer note 7.1)	1,868	1,026	**-**	**-**
Wellingdon Corporate Foundation	-	-		
(60 Shares of ₹10 each)				
	2,083	**1,031**	**-**	**-**
Non Current Investments	**38,506**	**33,938**	**-**	**-**
D. Investment in Mutual Funds				
I. Unquoted Investments				
Investment in Mutual Fund - Measured at FVTPL				
- Aditya Birla Sun Life Liquid Fund - Growth	-	-	75	**-**
- Reliance Liquid Fund - Growth	-	-	80	**-**
- HDFC Liquid Fund - Dividend Daily Reinvestment	-	-	-	**376**
- Birla Sun Life Mutual Fund - Dividend Daily Reinvestment	-	-	-	**416**
Current Investments	**-**	**-**	**155**	**792**

Note:

7.1. RHL has invested an aggregate sum of ₹ 842 Lakhs (USD 1,125,000) in AutoTech Fund I, L. P towards its share of capital contribution as one of the Limited Partners in the Fund during the year 2018-19.

7.2. RHL has divested its entire holding of 3,60,003 (48.97%) in equity shares of ₹ 10/- each fully paid up of JMA Rane Marketing Limited, a joint venture company during the year 2018-19

7.3 During the year 2018-19, subsidiary companies, Rane Madras Limited, Rane Engine Valve Limited and Rane Brake Lining Limited had invested in Capsol Energy Private Limited 21,00,000 shares of ₹10/- each.

7.4 During the year 2018-19, Rane Engine Valve Limited had invested in TCW Wind Power Private Limited 462 shares of ₹10/- each.

7.5 During the year 2018-19, Rane Brake Lining Limited had invested in CWRE Wind Power Private Limited 308 shares of ₹10/- each.

7.6. The investment in joint ventures are valued as follows:

The results of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in 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 joint venture investment. Distributions received from joint venture are reduced from the carrying amount of the investment.

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8 Loan Receivable

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Loans and advances to employees	-	1	27	28
	-	**1**	**27**	**28**

9 Other Financial Assets

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Security deposits (Refer note 9.2.a)	1,786	1,581	10	21
Interest receivable	-	-	81	93
Other deposits	506	514	-	-
Deposits with Statutory Authorities (Refer note 9.3.b)	41	41	-	-
Claims Receivable (Refer note 41.3)	1,016	1,008	602	493
Earmarked balances - others	-	21	-	-
Long term deposits more than 1 year (Refer note 9.2.b & 9.3.a)	11	49	-	-
Loans and advances to employees	-	-	16	13
Rent deposits	22	26	68	66
Derivative assets	-	-	-	79
Margin money Deposits (Refer note 9.1)	65	198	17	15
Advance recoverable in cash	-	-	33	38
Rebate of ED on Exports Receivable	-	-	-	81
Duty Drawback Receivable	-	-	37	64
Unbilled revenue	-	-	28	10
Other receivable	-	-	7	8
Total	**3,447**	**3,438**	**899**	**981**

Notes:

9.1 In respect of RML:

Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees and DSRA account earmarked for EXIM Loan provided to step down Subsidiary (Rane Precision Die Casting Inc.).

9.2 In respect of RBL:

a. Security deposits includes rent deposit paid to director - ₹ 12 Lakhs (31 March 2018: 12 Lakhs)

b. Margin money with banks ₹ 11 Lakhs and ₹ 10 Lakhs as at 31 March 2019 and 31 March 2018.

9.3 In respect of T4U:

a. Restricted Bank Deposits include Nil and ₹39 lakhs as at 31 March 2019 and 31 March 2018 respectively, 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 ₹ 14 lakhs and ₹15 lakhs as at 31 March 2019 and 31 March 2018, held as a deposit in relation to ongoing disputes with service tax authorities.

Notes Forming Part of Consolidated Financial Statements

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10 Income tax assets (Net)

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Advance Income-tax (net of provision for taxation)	2,938	2,506	-	-
	2,938	**2,506**	**-**	**-**

11 Other Assets

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
a. Unsecured and considered good unless otherwise stated:				
Prepaid expenses	1	2	891	804
Capital advances	1,213	997	-	-
Balance with statutory/government authorities	849	732	2,044	2,797
Advances to suppliers	-	-	743	1,291
Prepayment against leasehold land	180	195	-	-
Tooling advance	1,127	223	-	-
Advances to employees	-	-	104	144
Export Entitlements	-	-	1,334	1,085
MEIS Scrips received	-	-	117	50
MEIS Receivable	-	-	544	465
Others	-	-	149	91
b. Unsecured and considered doubtful:				
Capital Advances	-	20	-	-
Less: Provision for doubtful advances	-	(20)	-	-
	3,370	**2,149**	**5,926**	**6,727**

12. Deferred tax balances

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

₹ Lakhs

	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	2,330	1,325
Deferred tax liabilities	(1,219)	(763)

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

Deferred Tax Assets - 2018-19

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing Balance
Deferred tax assets					
Expenses allowable under tax on actual payment basis	857	189	-	-	1,046
Voluntary Retirement Compensation Scheme	492	(160)	-	-	332
Amalgamation Expenses	5	(5)	-	-	-
Deferred Revenue	-	3	-	-	3
Provision for doubtful debts	183	169	-	-	352
Defined benefit obligation - Gratuity	34	4	17	-	54
Unused Tax losses (including unabsorbed depreciation)	474	299	-	-	773
Unused Tax Credit (MAT Credit Entitlement)	395	-	-	-	395
Other temporary differences	443	126	-	-	569
Provision for leave salary	45	6	-	-	51
Provision for bonus	5	-	-	-	5
Business loss carried forward	207	156	-	-	364
Provision for statutory liability	8	(8)	-	-	-
	3,149	**779**	**17**	**-**	**3,944**
Deferred tax liabilities					
Restatement of Equity Investments	(3)	-	3	-	-
Property, plant and Equipment	(1,821)	207	-	-	(1,614)
	(1,824)	**207**	**3**	**-**	**(1,614)**
Net Deferred Tax Asset / (Net of deferred tax liability)	**1,325**	**985**	**20**	**-**	**2,330**

Deferred Tax Liabilities - 2018-19

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing Balance
Deferred tax assets					
Expenses allowable under tax on actual payment basis	-	-	-	-	-
Unused Tax Credit (MAT Credit Entitlement)	718	-	-	(718)	-
Voluntary Retirement Compensation Scheme	78	(44)	-	-	34
Others	501	78	29	-	608
Provision for expense	628	157	-	-	785
	1,925	**191**	**29**	**(718)**	**1,427**
Deferred tax liabilities					
Deferred tax liability due to fair valuation asset	(198)	23	-	-	(175)
Dividend distribution tax on undistributed profit	(350)	(18)	-	-	(368)
Cash flow hedge reserve	(18)	-	18	-	-
Property, plant and equipment	(2,122)	19	-	-	(2,103)
	(2,688)	**24**	**18**	**-**	**(2,646)**
(Net Deferred Tax Liability) / Net of deferred tax asset	**(763)**	**215**	**47**	**(718)**	**(1,219)**

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for the year ended March 31, 2019

Deferred Tax Assets - 2017-18

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Effect on Business combination	Closing Balance
Deferred tax assets						
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	45
Provision for bonus	4	(1)	-	-	2	5
Business loss carried forward	-	154	-	-	53	207
Provision for statutory liability	-	(56)	-	-	64	8
	2,633	**461**	**(26)**	**(164)**	**245**	**3,149**
Deferred tax liabilities						
Restatement of Equity Investments	-	-	(3)	-	-	(3)
Property plant and equipment and Intangible Assets	(2,314)	541	-	-	(48)	(1,821)
	(2,314)	**541**	**(3)**	**-**	**(48)**	**(1,824)**
Net Deferred Tax Asset / (Net of deferred tax liability)	**319**	**1,002**	**(29)**	**(164)**	**196**	**1,325**

Deferred Tax Liabilities - 2017-18

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Effect on Business combination	Closing Balance
Deferred tax assets						
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
	3,164	**(732)**	**27**	**(534)**	**-**	**1,925**
Deferred tax liabilities						
Deferred tax liability due to fair valuation asset	-	55	-	(253)	-	(198)
Property, plant and equipment and Intangible Assets	(3,082)	960	-	-	-	(2,122)
Cash flow hedge reserve	9	-	(27)	-	-	(18)
Dividend distribution tax on undistributed profit	(265)	(85)	-	-	-	(350)
	(3,338)	**930**	**(27)**	**(253)**	**-**	**(2,688)**
(Net Deferred Tax Liability) / Net of deferred tax asset	**(174)**	**198**	**-**	**(787)**	**-**	**(763)**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

13 Inventories (Valued at lower of cost and net realisable value)

₹ Lakhs

	As at 31 March 2019	As at 31 March 2018
Stores & Spares	4,152	3,628
Raw Materials and components	8,519	6,231
Work-in-process	3,792	3,614
Finished Goods	10,506	8,947
Stock in Trade	255	203
Goods-in-transit		
Raw Materials and components	483	374
Finished Goods	2,641	1,809
	30,348	**24,806**

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 29)

13.2. In respect of Rane Engine Valve Ltd, the cost of inventories recognised as an expense includes ₹178 Lakhs (during 2017-18:₹138 Lakhs) in respect of write-downs of inventory to net realisable value.

13.3. In respect of Rane (Madras) Ltd, the cost of inventories recognised as an expense includes ₹10 lakhs (during 2017-18: ₹Nil) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹Nil (during 2017-18:₹31 lakhs) 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 ₹85 Lakhs (during 2017-18:₹67 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 (Sl No.13)

14 Trade Receivables

₹ Lakhs

Particulars	Current	
	As at 31 March 2019	As at 31 March 2018
Trade receivables considered good - Unsecured	47,780	45,618
Trade receivables - Credit impaired	1,455	845
Less: Allowance for credit impaired (expected credit loss allowance)	(1,455)	(845)
	47,780	**45,618**

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.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

₹ Lakhs

Movement in expected credit loss allowance	Year ended 31 March 2019	Year ended 31 March 2018
Balance at beginning of the year	845	854
Charge in statement of profit and loss	611	132
Amount written off during the year	(1)	(141)
Balance at end of the year	**1,455**	**845**

15.a. Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Cash on hand	27	27
Balance with banks in		
Current accounts	1,718	861
EEFC account	646	252
Cash credit accounts	-	9
Deposit accounts	589	1,152
Mutual Fund investments	580	533
	3,560	**2,834**

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.

15.b. Bank balances other than above

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balances with banks in earmarked accounts - Unclaimed Dividend	98	83
Balances with banks in earmarked accounts - Margin Money accounts *	-	11
Unpaid REVL Fractional Shares account	1	1
	99	**95**

* Held as margin by bank against bank guarantees

16 Share Capital

₹ Lakhs

	As at 31 March 2019	As at 31 March 2018
a. Authorised Share Capital :		
Equity Shares:		
1,50,00,000 Equity Shares of ₹10 each	1,500	1,500
Preference Shares:		
50,00,000 Shares 13.5% Cumulative Redeemable Preference Shares of ₹10 each	500	500
b. Issued Share Capital:		
1,42,77,809 Equity Shares (1,42,77,809 Shares) of ₹10 each	1,428	1,428
c. Subscribed Share Capital:		
1,42,77,809 Equity Shares (1,42,77,809 Shares) of ₹10 each fully paid-up	1,428	1,428
	1,428	**1,428**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

16.1 Reconciliation of number of shares

₹ Lakhs

Particulars	2018-19		2017-18	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹10 each fully paid up				
At the beginning of the period	1,42,77,809	1,428	1,42,77,809	1,428
Add/Less : movement during the year	-	-	-	-
At the end of the period	**1,42,77,809**	**1,428**	**1,42,77,809**	**1,428**

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.

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

₹ Lakhs

Class of Shares / Name of the Share holder	As at 31 March 2019		As at 31 March 2018	
	No of shares held	% of holding in shares	No of shares held	% of holding in shares
a. Fully paid up equity shares				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Sundaram Mutual Fund A/c Sundaram Smile Fund	7,18,940	5.04%	6,43,282	4.51%

16.3 There is no change in the number of shares at the beginning of the year and end of the year.

17 Other Equity

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
a. General reserve	40,464	36,098
b. Retained Earnings	39,731	37,092
c. Capital Redemption Reserve	1,335	1,319
d. Capital Reserve	69	69
e. Securities premium Reserve	1,770	2,447
f. Hedge Reserve account	-	36
g. Amalgamation adjustment account	(11)	(11)
h. Foreign Currency translation reserve	10	(150)
i. Capital Reserve on Consolidation	1,771	2,069
	85,139	**78,969**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

a. General Reserve

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	36,098	29,570
Additions during the year	3,681	6,001
Addition due to increase in share holdings in subsidiaries	685	527
Deductions / Adjustments during the year	-	-
Balance at the end of the year	**40,464**	**36,098**

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 2019	As at 31 March 2018
Balance at the beginning of the year	37,092	32,534
Additions during the year		
1. Profit/(Loss) for the year	10,374	13,029
2. Other Comprehensive income	(101)	(153)
3. Effect on acquisition of business combination	-	80
4. Effect due to increase in share holdings in subsidiaries	(1,190)	39
5. Transfer from Capital reserve on consolidation	298	-
Deductions during the year		
1. Payments of dividend on equity shares	2,770	1,516
2. Corporate tax on dividend	290	423
3. Capital Redemption Reserve	-	497
4. Transfer to General Reserves	3,681	6,001
Balance at the end of the year	**39,731**	**37,092**

On February 19, 2019, an interim dividend of ₹ 8 per share (total dividend ₹ 1,142 Lakhs) was paid to the holders of fully paid equity shares.

In respect of the year ended March 31, 2019, the directors propose that a dividend of ₹ 11 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 ₹ 1,571 Lakhs.

c. Capital Redemption Reserve

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	1,319	803
Additions during the year	-	497
Addition due to increase in share holdings in subsidiaries	16	19
Deductions /adjustments during the year	-	-
Balance at the end of the year	**1,335**	**1,319**

Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares by RML.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 2019	As at 31 March 2018
Balance at the beginning of the year	69	69
Additions during the year	-	-
Deductions /adjustments during the year	-	-
Balance at the end of the year	**69**	**69**

e. Securities Premium Reserve

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	2,447	4,763
Additions during the year	-	-
Addition due to increase in share holdings in subsidiaries	(677)	(2,316)
Deductions /adjustments during the year	-	-
Balance at the end of the year	**1,770**	**2,447**

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.

f. Hedge Reserve

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	36	5
Additions during the year	-	31
Deductions /adjustments during the year	(36)	-
Balance at the end of the year	**-**	**36**

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 2019	As at 31 March 2018
Balance at the beginning of the year	(11)	(10)
Additions during the year	-	-
Addition due to increase in share holdings in subsidiaries	-	(1)
Deductions /adjustments during the year	-	-
Balance at the end of the year	**(11)**	**(11)**

At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes the amalgamation adjustment reserve of transferee Company.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

h. Foreign Currency Translation Reserve

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	(150)	100
Additions during the year	163	(257)
Addition due to increase in share holdings in subsidiaries	(3)	7
Deductions /adjustments during the year	-	-
Balance at the end of the year	**10**	**(150)**

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 profit or loss when the net investment is disposed-off.

i. Capital Reserve on Consolidation

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	2,069	2,069
Additions during the year	-	-
Deductions /adjustments during the year	(298)	-
Balance at the end of the year	**1,771**	**2,069**

18 Non-controlling interests

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	25,751	23,690
Additions during the year		
1. Profit/(Loss) for the year	1,209	1,823
2. Other Comprehensive income	(43)	(185)
3. Effect of acquisition of business combination	(831)	41
4. Other Consolidation adjustments	753	1,725
Deductions during the year		
1. Payments of dividend on equity shares	1,176	1,118
2. Corporate tax on dividend	242	225
	25,421	**25,751**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

19 Borrowings

₹ Lakhs

Particulars	Non - Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
a. Secured				
Term loan from banks	19,329	20,503	300	186
Loan repayable on demand - from Bank	-	-	13,064	6,631
Other loans from banks	-	-	12,664	13,428
	19,329	**20,503**	**26,028**	**20,245**
b. Unsecured				
Commercial paper	-	-	4,000	4,000
Other loans from banks	-	-	-	200
Interest free loan from A.P.Government under Sales Tax Deferral Scheme	-	17	-	8
Unamortised Borrowing cost	(7)	(13)	-	(68)
Bill Discounting	-	-	733	653
	(7)	**4**	**4,733**	**4,793**
	19,322	**20,507**	**30,761**	**25,038**

Summary of borrowing arrangements

19.1 In respect of RML :

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2019/March 31, 2018 are secured by a charge created on that Company's Fixed Assets both present and future (excluding Velachery and Mysore properties).

EXIM Bank Loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

a. The terms of repayment of term loans are given below

Particulars	As at 31 March 2019	As at 31 March 2018
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 Years of moratorium period	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 Years of moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from April 2019 with 3 Years of moratorium period	Repayable in 12 equal quarterly Instalments commencing from April 2019 with 3 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of moratorium period	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period

Notes Forming Part of Consolidated Financial Statements

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Particulars	As at 31 March 2019	As at 31 March 2018
SCB - INR Long Term Loan	Repayable in 10 equal quarterly Instalments commencing from January 2020 with 30 months of moratorium period	Repayable in 10 equal quarterly Instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 16 equal quarterly Installments commencing from June 2020 with 1 Year of moratorium period	-
AXIS Bank - INR Long Term Loan	Repayable in one Installment May 2020	-
EXIM Bank	Foreign Currency Term Loan amounting to USD 2 Million is repayable in 12 equal quarterly Instalments commencing from August 2018 with 2 Years of Moratarium period	Foreign Currency Term Loan amounting to USD 2 Million is repayable in 12 equal quarterly Instalments commencing from August 2018 with 2 Years of Moratarium period
EXIM Bank	Foreign Currency Term Loan amounting to USD 4.8 Million is repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 Years of Moratarium period	Foreign Currency Term Loan amounting to USD 4.8 Million is repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 Years of Moratarium period

As at 31 March 2019, the interest rate for INR loans range from 8.75% p.a to 9.40% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

As at 31 March 2018, the interest rate for INR loans range from 8.50% p.a to 9.00% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

Current borrowings

b. Bill Discounting represent amount received against finance receivables securitised / assigned, which does not qualify for derecognition.

c. 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.

d. EXIM Bank loan is secured against all movable property, plant and equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

In respect of REVL :

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

₹ Lakhs

Details of the long term borrowings	Repayment Start Date	Instalment Amt.	No. of Quarterly Instalments as per agreement
Rupee Term Loans			
Kotak Mahindra Bank Ltd	Jan-2016	156	16
HDFC Bank Ltd			
Loan 1	Oct-2016	63	16
Loan 2	Nov-2016	113	16
Loan 3	Aug-2019	150	12
Federal Bank Ltd	Aug-2020	150	12

As at 31 March 2019, the interest rate range from 9.00% p.a to 9.85% p.a

i) Short term borrowings amounting to ₹ 832 lakhs (₹ 1,230 lakhs) from State Bank of India are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of that company's Tumkur Unit and also secured by first charge on land and buildings and plant and machineries of that company's Peenya Unit and Tumkur Unit.

ii) Other Short term borrowings amounting to ₹ 7,036 lakhs (₹ 4,160 lakhs) from banks are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of that company on Pari-passu basis (other than Property situated at Peenya Unit and Tumkur Unit).

iii) Bill discounting from Banks represents liability in respect of vendor financing facility availed by certain customers with recourse to that Company.

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

v) Interest free sales tax loan represents liability arising out of deferment of sales tax for a period of 14 years from 1996 to 2010. REVL should continue to be in operation and there should not be any change in location or management of REVL until the loan is fully repaid.

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

19.3 In respect of RBL :

Working capital loans, Buyers credit and PCFC from banks are secured on paripassu basis by way of hypothecation of all inventories, book debts and other current assets of that Company.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

19.4 In respect of Rane t4u :
Indian rupee loan from Banks / Financial institutions

	Terms of repayment
a. Secured	
Term loan from Corporation Bank 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).	Loan availed ₹24.50 Lakhs is repayable in 36 equated monthly instalments of ₹0.80 Lakhs each commenced from October 2016. Interest is payable on monthly basis commenced from 28 September 2016.
Working Capital facilities (fund based) from HDFC Bank Limited Secured by way of exclusive charge on the current assets of that Company and comfort letter from M/s. Rane Holdings Limited (Holding Company).	The cash credit facility is payable on demand as per the latest sanction letter dated 10 January 2019. The total limit sanctioned is ₹600 lakhs with sub limits for purchase bill discounting and bank guarantee.

	Terms of repayment
b. Unsecured	
Term Loan from Tata Capital Financial Services Limited Secured by way of comfort letter from M/s. Rane Holdings Limited (Holding Company).	Loan availed ₹51 Lakhs is repayable in 36 equated monthly instalments 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.
	Loan availed ₹200 Lakhs is repayable in 48 equated monthly installments of ₹5.09 Lakhs each commencing from Sep-2019. Interest is payable on monthly basis commencing from 15 December, 2018.
	Finance lease of ₹33.63 Lakhs is repayable in 16 equated quarterly installments of ₹2.64 Lakhs each commencing from Aug-2018.

19.5 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	Repayment in sixteen quarterly instalments of ₹168.75 lakhs each from 31 July 2016. Outstanding loan balance as on 31 March 2019, nil.
2.Term loan-2 availed from Tata Capital Financial Services Limited [TCFSL] on 06 September 2017. Pari-passu charge by way of mortgage on the company's land at Chittaranjan Road, Chennai	Repayment in sixteen quarterly instalments of ₹125 lakhs each from 31 October 2018.
3. Term from Federal Bank Limited on 25 March 2019. Pari-passu charge by way of mortgage on the company's land at Chittaranjan Road, Chennai	During the year ended 31 March 2019, the Company has availed the Term loan of ₹650 Lakhs from Feberal Bank Limited. Repayment in sixteen equal quarterly installments of ₹ 40.63 Lakhs after the moratorium of 12 months starting from the date of first disbursement.

As at 31 March 2019, the interest rate range from 8.60% p.a to 10.75% p.a

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

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 2019 and 31 March 2018.

20 Other financial liabilities

₹ Lakhs

Particulars	Non - Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Current maturities of term loans from banks	-	-	7,585	4,553
Interest accrued but not due on borrowings	-	-	251	176
Derivative liabilities	-	-	27	4
Deposits with C & F agents	5	5	-	-
Security deposits	-	-	92	36
Unclaimed dividend	-	-	102	104
Trade deposits	-	-	132	3
Employee related	-	-	3,185	3,192
Payables on purchase of fixed assets	-	-	726	417
Commission payable to Chairman	-	-	144	124
Termination benefit under VRS	-	-	-	1
Others (refer note 20.1)	-	-	160	98
	5	**5**	**12,404**	**8,708**

20.1 In respect of RHL, Others include an accured 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

21 Provisions

₹ Lakhs

Particulars	Non - Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Compensated absences	1,615	1,468	518	443
Other employee benefits	-	-	6	6
Product warranty (Refer note 40)	-	-	855	606
Others	-	-	605	568
	1,615	**1,468**	**1,984**	**1,623**

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 present value of the best estimate of the future outflow of economic benefits that will be required towards obligations for warranties under local sale of goods legislation. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting the product quality.

Notes Forming Part of Consolidated Financial Statements

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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.

22 Other liabilities

₹ Lakhs

Particulars	Non - Current		Current	
	As at 31 March 2019	**As at 31 March 2018**	**As at 31 March 2019**	**As at 31 March 2018**
Revenue received in advance - Deferred revenue (Refer note 22.1 & 22.2)	398	366	211	217
Long-term capital lease obligations	7	127	128	144
Advances and Deposits from Customers	-	-	109	212
Statutory dues	-	-	677	619
Unearned revenue	-	-	83	84
Provision for Gratuity	-	-	1,548	1,266
Provision for Pension plan	-	-	1,540	1,346
Others	-	-	41	8
	405	**493**	**4,337**	**3,896**

Note:

22.1 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.

22.2 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 2018-19 ₹23 Lakhs (2017-18 ₹22 Lakhs)

23 Current tax liabilities

₹ Lakhs

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
Provision for Tax (Net of Advance Tax & TDS)	-	189
	-	**189**

24 Trade Payables

₹ Lakhs

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
i.Total outstanding dues of micro enterprises and small enterprises	1,886	2,216
ii.Total outstanding dues of creditors other than micro enterprises and small enterprises	36,568	37,506
	38,454	**39,722**

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.

Notes Forming Part of Consolidated Financial Statements

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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 31 March 2019	As at 31 March 2018
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	1,886	2,216
- Interest	0.20	0.08
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	6,855	2,384
- Interest	10	24
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
- Interest	-	1
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	-	-
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.	-	-

25 Revenue from Operations

₹ Lakhs

	Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
a	**Sale of products**	2,43,280	2,24,055
		2,43,280	**2,24,055**
b	**Other Operating Revenue**		
	Scrap Sales	2,376	2,116
	Sale of materials	380	661
	Sale of Tools	1,423	1,418
	Service fees	3,079	2,081
	Trade mark fees	2,723	2,397
	Export Incentives	1,646	1,456
		11,627	**10,129**
	Total	**2,54,907**	**2,34,184**

Note:

a) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended 31 March 2019 and 31 March 2018 are presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - "Revenue". The revenue from operations for the year ended 31 March 2018 are inclusive of excise duty till June 2017, and hence are not comparable with the revenue from operations for the year ended 31 March 2019 to that extent.

b) The Group adopted Ind AS 115, 'Revenue from contracts with customers' with effect from 01 April 2018. The performance obligations under all sales contracts are satisfied at a point of time. The performance obligations under all service contracts are satisfied when the services are rendered. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

As per the management, the disaggregation of revenue based on geography are depicted in Note 37.

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

The Group offers various products and services related to manufacture and supply of auto components and providing technological services for transportation industry.

c) Trade Receivables

The Group classifies the right to consideration in exchange for services/deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised as and when the related goods are delivered the the customer/when the related services are rendered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

d) Transaction price allocated to the remaining performance obligation

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

26 Other Income

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest Income		
- from bank deposits	232	129
- Income tax refund	23	-
- on supplier payments	16	12
- on rent deposits	2	-
Dividend Income		
- from mutual funds	101	135
Net foreign exchange gain	12	588
Provision no longer required written back	519	353
Gain on Sale of Property, plant and equipment	12	31
Gain on Sale of Investment	63	-
Government Grant Income	214	170
Other Non-Operating Income	928	307
	2,122	**1,725**

27 Cost of raw materials consumed

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Opening Stock of Raw Material	6,606	4,795
Add: Purchase of materials (Includes Sub/Job-Contracts)	1,39,004	1,21,163
Less: Closing Stock of Raw Material	9,002	6,606
	1,36,608	**1,19,352**

28 Purchase of Stock-in-trade

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Purchase of Stock-in-trade	**1,876**	**1,090**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

29 Changes in inventories of Finished Goods, Work-In- Progress and Stock-in-Trade

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Inventories at the end of the year:		
Finished goods	13,147	10,755
Work-in-Progress	3,792	3,614
Stock-In-Trade	255	203
	17,194	**14,572**
Inventories at the beginning of the year:		
Finished goods	10,755	9,613
Work-in-Progress	3,614	2,837
Stock-In-Trade	203	184
	14,572	**12,634**
Net (increase)/decrease		
Finished goods	(2,391)	(1,142)
Work-in-Progress	(178)	(777)
Stock-In-Trade	(52)	(18)
	(2,622)	**(1,937)**

30 Employee Benefit Expenses

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Salaries and wages	38,033	33,149
Contribution to provident and other funds	3,374	4,005
Staff welfare expenses	3,187	3,522
	44,594	**40,676**

31 Finance Cost

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Interest expense		
- From Loans	4,339	3,749
- From Related party loans	-	1
- From redeemable preference shares	-	37
Finance costs on liabilities carried at amortised cost	-	10
Discount on Commercial paper	225	283
Other interest expenses	24	3
Other borrowing costs	184	274
Applicable net loss on foreign currency transactions and translation including borrowing cost	38	48
	4,810	**4,405**

32 Depreciation and Amortisation Expense

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Depreciation of property, plant and equipment	12,005	11,424
Amortisation of intangible assets	607	351
	12,612	**11,775**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

33 Other Expenses

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Consumption of stores and spares	9,784	9,735
Power & fuel (Refer Note No.33.1)	9,987	8,972
Rent	594	593
Rates & taxes	1,024	1,312
Insurance	906	829
Repairs and maintenance		
- Building	581	452
- Plant & Equipment	4,733	4,100
- Other assets	1,425	1,388
Increase / (decrease) of excise duty on inventory	-	(717)
Donation	352	316
General Manufacturing, Selling and Admin Expenses	39	31
Packing, Forwarding & Dispatching	6,732	6,443
Commission on sales	242	153
Directors' Sitting Fees	63	66
Chairman's Commission	402	286
Audit fee (Refer Note No.33.2)	139	133
Advertisement and Sales Promotion	375	590
Net Foreign exchange loss	798	21
Freight & Cartage Outward	3,497	3,403
Travel Expenses	2,494	2,252
Postage & Telecom Expenses	230	185
Printing & Stationery	283	280
Professional Charges	3,119	2,344
Information Systems expenses	937	967
Warranty and Other claims	223	105
Assets Written Off	27	74
Leasehold Land Amortisation	23	29
Bank charges	163	177
Royalty and technical fees	571	687
Trade mark fees	4	13
Provision for bad & doubtful debts	621	72
Advances written off	31	-
Miscellaneous expenses	1,082	1,088
	51,481	**46,379**

33.1 Includes ₹ 459 lakhs (previous year ₹485 lakhs), paid towards certain operating lease arrangement with third party vendors.

33.2 Remuneration to Auditors consist of:

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
As Auditors	89	87
Taxation Matters	12	12
Company Law Matters	8	6
Other Services	29	28
Reimbursement of expenses	1	-
Total	**139**	**133**

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

33.3 Corporate Social Responsibility:

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Expenditure incurred for Corporate social responsibility	357	353
Amount required to be spent u/s 135 of the Companies Act, 2013	253	187

CSR expenditure Included under Donation, Professional Charges, Printing & Stationery and Miscellaneous expenses

33.4 R&D Expenditure:

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Capital Expenditure	1,320	308
Revenue Expenses	2,575	2,036
	3,895	**2,344**

34 Income Taxes

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
A. The major components of income tax expense for the year are as under :		
Income tax recognised in the Statement of profit and loss		
Current tax:		
In respect of current year	9,444	10,040
Provision for tax relating to earlier years	-	(3)
Deferred tax:		
In respect of current year	(1,493)	(1,349)
Minimum Alternate Tax (MAT)	-	-
Income tax expense recognised in the Statement of Profit and Loss	**7,951**	**8,688**

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

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Profit/(Loss) before tax	**19,533**	**23,540**
Income Tax expense calculated at 34.608%	5,815	8,147
Income Tax expense calculated at 29.12%	1,213	-
Effect of Tax paid under MAT	-	28
Effect of income tax on Capital Gains	(170)	658
Donation exempt under Section 80G	45	36
Effect of expenses that are added in determining taxable profit	50	256
Effect of Income that are not taxable in determining taxable profit	(12)	(62)
Effect of other deductible temporary difference	12	(180)
Effect of concessions (research and development related to Capital and Revenue)	(789)	(505)
Interest expense related to MSME enterprises	4	4
Impact of interest cost or profit / loss on sale of investment and fixed assets	(5)	(544)
Income on sale of fixed assets	(5)	-
Tax impact of unit situated in notified state as per Section 80IC	(59)	(48)
Loss of foreign subsidiary	1,821	743
Impact due to change in effective tax rate	-	9
Provision for tax relating to earlier years	16	60

Notes Forming Part of Consolidated Financial Statements

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₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Additional provision for unfavourable tax demands	35	54
Deferred Income impact due to Government Grant (EPCG)	(65)	-
Deferred tax impact on fair valuation arising out of business combination	(23)	(56)
Deferred tax impact on undistributed profit	18	85
Others	50	3
Income Tax expense/(gain) recognised in profit or loss	**7,951**	**8,688**

34.1 Income tax recognised in other comprehensive income:

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	52	15
Equity investment through other comprehensive income	3	(3)
Impact of cash flow hedges	11	(27)
Total income tax recognised in other comprehensive income	**66**	**(15)**

35 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 ₹ 1,562 Lakhs (for the year ended 31 March 2018: ₹ 1,627 Lakhs) represents contributions payable to these plans by the group at rates specified in the rules of the plans.

Notes Forming Part of Consolidated Financial Statements

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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.

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.

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Opening defined benefit obligation	5,187	4,735
Current Service Cost	446	482
Interest cost	394	336
Remeasurement (gains) / losses :	-	-
Actuarial (gains) and losses arising from changes in demographic assumptions	64	79
Actuarial (gains) and losses arising from changes in financial assumptions	27	(89)
Actuarial (gains) and losses arising from experience adjustments	6	(8)
Past service cost, including losses / (gains) on curtailments	-	3
Benefits paid	(298)	(351)
Closing defined benefit obligation	**5,826**	**5,187**

Notes Forming Part of Consolidated Financial Statements

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

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Opening fair value of plan assets	3,921	3,629
Interest income	212	187
Remeasurement gain (loss) :	-	-
Return on plan assets (excluding amounts included in net interest expense)	68	45
Contributions from the Employer	344	409
Benefits paid	(265)	(349)
Closing fair value of plan assets	**4,279**	**3,921**

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

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Present value of funded defined benefit obligation	5,826	5,187
Fair value of plan assets	4,278	3,921
Funded status	**1,548**	**1,266**
Restrictions on asset recognised	-	-
Others (describe)	-	-
Net liability arising from defined benefit obligation	**1,548**	**1,266**

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

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Service Cost :		
Current Service cost	446	476
Past service cost and (gain) / loss from settlements	-	2
Net interest Expense	86	65
Components of defined benefit costs recognised in profit or loss	**532**	**543**
Remeasurement on the net defined benefit liability :	-	-
Return on plan assets (excluding amounts included in net interest expense)	-	-
Actuarial (gains) / losses arising from changes in demographic assumptions	68	99
Actuarial (gains) / losses arising from changes in financial assumptions	35	(82)
Actuarial (gains) / losses arising from experience adjustments	6	(88)
Components of defined benefit costs recognised in other comprehensive income	**109**	**(71)**
Total	**641**	**472**

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

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

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(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.

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

Particulars	Valuation as at	
	31 March 2019	31 March 2018
Discount Rate(s)	7.58% to 8.00%	7.50% to 7.72%
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%
Expected rate of return on plan assets	**7.58% to 8.00%**	**7.50% to 7.72%**
Attrition Rate		
Executives and Staff	3.00% to 8.00%	2.00% to 8.00%
Operators	1.00% to 5.00%	1.00% to 5.00%

Sensitivity Analysis ₹ Lakhs

Change in assumption	31 March 2019	31 March 2018
A. Discount Rate + 50 BP	8.08% to 8.50%	8.00% to 8.22%
Defined Benefit Obligation [PVO]	3,550	3,181
Current Service Cost	248	224
B. Discount Rate - 50 BP	7.08% to 7.50%	7.00% to 7.22%
Defined Benefit Obligation [PVO]	3,870	3,497
Current Service Cost	304	274
C. Salary Escalation Rate +50 BP	5.00% & 8.50%	5.00% & 8.50%
Defined Benefit Obligation [PVO]	3,872	3,504
Current Service Cost	308	274
D. Salary Escalation Rate -50 BP	4.00% & 7.50%	4.00% & 7.50%
Defined Benefit Obligation [PVO]	3,547	3,175
Current Service Cost	246	224

(vi) b. In respect of subsidiary Rane t4u Private Limited, the principal assumptions used for the purposes of the actuarial valuations were as follows

Sensitivity Analysis ₹ Lakhs

Particulars	Valuation as at 31 March 2019	Valuation as at 31 March 2018
Discount Rate	6.70%	7.00%
Expected Rate(s) of salary increase		
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	12.00%	5.00%
Operators		
Expected rate of return on plan assets		
Attrition Rate		
Expected rate of attrition		
Executives and Staff	47.00%	45.00%
Operators		

Notes Forming Part of Consolidated Financial Statements

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Sensitivity Analysis (In respect of subsidiary Rane t4u Private Limited) ₹ Lakhs

Particulars	31 March 2019	31 March 2018
Salary growth rate		
-1% increase(+100BP)	71	51
-1% decrease(+100BP)	70	50
Discount rate		
-1% increase(+100BP)	69	51
-1% decrease(+100BP)	72	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.

Defined benefit liability and employer contributions

The weighted average duration of the defined obligation (range) is 2.29 to 11.70 years (2018 - 2.88 to 12.30 years).
The expected maturity analysis of undiscounted gratuity is as follows:

₹ Lakhs

Particulars	31 March 2019	31 March 2018
Year 1	680	415
Year 2	420	609
Year 3	316	291
Year 4	374	305
Year 5	365	368
Next 5 Years	2,098	2,000

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:

₹ Lakhs

Particulars	Year Ended 31 March 2019	Year Ended 31 March 2018
Actuarial assumptions for long-term compensated absences		
Discount rate	6.70% to 8.00%	7.00% to 7.72%
Salary escalation		
Executives & Staff	4.50% to 12.00%	4.50% to 8.00%
Operators	4.50% to 8.00%	4.50% to 8.00%
Attrition		
Executives & Staff	3.00% to 47.00%	2.00% to 45.00%
Operators	1.00% to 5.00%	1.00% to 5.00%

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.

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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).

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)	
	2018-19	**2017-18**
Present Value of obligations at the beginning of the year	3,634	3,433
Current service cost	78	68
Interest Cost	152	138
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	66	11
- Actuarial gains and losses arising from financial assumptions	87	54
Benefits paid	(113)	(93)
Foreign currency translation adjustment	221	23
Present Value of obligations at the end of the year	**4,125**	**3,634**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	2,289	2,103
Interest Income	96	85
Expected Return on plan assets	-	-
Contributions from the employer	236	218
Benefits Paid	(113)	(93)
Return on Plan Assets, Excluding Interest Income	(61)	(38)
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	139	14

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₹ Lakhs

Particulars	Pension (Funded) 2018-19	2017-18
Fair Value of plan assets at the end of the year	2,587	2,289
Amounts recognised in the Balance Sheet	**(1,538)**	**(1,345)**
Projected benefit obligation at the end of the year	(4,126)	(3,635)
Fair value of plan assets at end of the year	2,587	2,289
Funded status of the plans – Liability recognised in the balance sheet	(1,540)	(1,346)
Components of defined benefit cost recognised in profit or loss		
Current service cost	78	68
Net Interest Expense	56	54
Past service cost	-	-
Net Cost in Profit or Loss	**135**	**122**

₹ Lakhs

	2018-19	2017-18
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	153	66
Return on plan assets	61	38
Net Income / (Cost) in Other Comprehensive Income	**213**	**104**

₹ Lakhs

Assumptions	2018-19	2017-18
Expected Return on Plan Assets	3.75%	3.91%
Discount rate	3.75%	3.91%
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%
Operators	0.00%	0.00%
Expected rate of attrition		
Executives and Staff		
Operators		
Average age of members		
Average remaining working life		
Rate of Employee Turnover	90% of 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 31 March 2019	As at 31 March 2018
Projected Benefit Obligation on Current Assumptions	**1,148**	**3,635**
Delta Effect of +0.5% Change in Rate of Discounting	(296)	(273)
Delta Effect of -0.5% Change in Rate of Discounting	310	278

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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.

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.

36 Related Party Disclosures

	Particulars	2018-19	2017-18
(a)	List of related parties where control exists		
	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)
		(Ceased to be in Joint Venture from 14 November 2018)	
(b)	Other Related parties where transactions has taken place		
	Key Management Personnel	Mr. L Ganesh	Mr. L Ganesh
		Mr. Harish Lakshman	Mr. Harish Lakshman
	Relative of KMP	Mr. L Lakshman	Mr. L Lakshman
		Mr. Vinay Lakshman	Mr. Vinay Lakshman
		Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(c)	Post employment benefit plans	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

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Details of Related Party transactions :

₹ 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
Transaction during the year							
Fee for Services rendered							
RTSS		774	649				
RNSS		686	595				
Trademark Fee							
RTSS		1326	1103				
RNSS		1398	1294				
Sales							
Rane (Madras) Limited (RML) to RTSS		2354	2480				
RML to JMA Rane		443	1031				
Rane Engine Valve Limited (REVL) to JMA Rane		106	146				
Rane Brake Lining Limited (RBL) to JMA Rane		998	2381				
Purchases							
RML from RTSS		38	10				
RML from RNSS		1670	912				
Interest payment							
RML to RTSS		-	1				
Loan Repayment							
RML to RTSS		-	66				

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Details of Related Party transactions :

₹ 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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Donation to Rane Foundation												
Rane Holdings Limited (RHL)									114	110		
RML									88	87		
Rane Brake Lining Limited (RBL)									102	103		
Advisory Fee												
L Lakshman - RHL							100	100				
Salary and Other Perquisites												
L Ganesh - RHL					154	137						
Aditya Ganesh - RML							48	20				
Vinay Lakshman - RBL							260	200				
Commission												
L Ganesh - RHL					157	62						
L Lakshman - RHL							100	100				
L Ganesh - RBL					100	110						
L Ganesh - RML					144	124						
Rent Deposit												
L Lakshman - RBL							-	12				
Sitting Fees												
L Lakshman							9	12				
L Ganesh					6	9						
Harish Lakshman					6	8						
Post Employment Benefit Plan												
Rane Holdings Limited Gratuity Fund											23	46

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₹ 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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Rane Holdings Limited Senior Executives Superannuation Fund											20	20
Rane Engine Valve Limited Employees Gratuity Fund											124	78
Rane Engine Valve Limited Senior Executives Pension Fund											22	29
Rane Brake Lining Limited Employees Gratuity Fund											27	136
Rane Brake Lining Limited Senior Executives Pension Fund											30	25

Details of Related Party balances :

₹ 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	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Payables												
RML to RTSS			14	10								
RML to RNSS			185	140								
Commission												
L Ganesh - RML					144	124						
L Ganesh - RHL					157	62						
L Lakshman -RHL							-	-				
Fixed Deposit						-		-				
Service fee and trademark fee												

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₹ 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	
RTSS			27	49								
RNSS			18	18								
Salary and Other Perquisites												
L Lakshman -RHL							-	-				
Post Employment Benefit Plan												
RBL											99	30
RHL											30	2
Receivables												
RHL												
RBL												
RHAI												
RML from RTSS			478	408								
RML from JMA Rane			-	370								
REVL from JMA Rane			-	42								
Service fee and trademark fee												
RTSS			426	360								
RNSS			342	417								

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37 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.

Geographical Information

₹ Lakhs

Particulars	Revenue from external customers		Non - current assets**	
	Year Ended 31 March 2019	Year Ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
India	1,92,025	1,76,952	81,004	80,537
Rest of World	62,882	57,232	5,475	4,934
Total	**2,54,907**	**2,34,184**	**86,480**	**85,471**

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 ₹ 80,480 Lakhs (31 March 2018, ₹ 70,634 Lakhs)

38 Contingent Liabilities

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Letters of Credits & Guarantees issued by Bank	1,232	1,954
Guarantees issued/undertakings given	238	118
Claims against the Group not acknowledged as debts	17,006	16,390
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.		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	6,419	3,729
Export obligation in respect of capital goods imported on payment of concessional duty**	-	1,395
Uncalled liability on investment *	1,591	2,219
In respect to RHL, Rane (Madras) Limited (RML), a subsidiary company, issued and alloted 3,65,630 equity shares of ₹ 10/- each pursuant to conversion of 3,65,630 warrants held and excersied by the company by paying the entire balance of 75% of issue price amounting to ₹ 1,500 Lakhs.	-	1,500
Other Commitments		
In respect of REVL, based on expert opinion obtained by that 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.

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39 Leases

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
39.a. Operating Leases		
A. Non-cancellable operating lease commitments:		
i. In respect to RHL,		
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	231	189
Future minimum lease payments		
- not later than one year	201	158
- later than one year and not later than five years	244	173
- later than five years	-	-
ii. In respect to RML,		
Land		
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.		
Vehicles		
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	95	102
Future minimum lease payments		
- not later than one year	88	86
- later than one year and not later than five years	123	81
- later than five years	-	-
B. Cancellable Leases:		
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	246	268

40 Warranties

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning of the year	606	716
Add: Provision made during the year	266	78
Less: Provision used against claims settled during the year	6	168
Unused amounts reversed	(11)	(20)
Balance at the end of the year	**855**	**606**

41 Exceptional Items

₹ Lakhs

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Voluntary Retirement Scheme (VRS) (Refer note 41.1)	(91)	(164)
Profit on land swap (Refer note 41.2)	-	1,574
	(91)	**1,410**

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41.1 In respect of RBL,

Voluntary Retirement Scheme (VRS) expenditure incurred amounting to ₹ 91 lakhs for the year ended 31 March 2019 and ₹ 164 lakhs for the year ended 31 March 2018, to employees who opted for early retirement in terms of a voluntary retirement scheme introduced by that Company.

41.2 In respect of RNSS (a joint venture Company),

Share of Profit recognised due to land swap transaction recorded at fair value of ₹ 1574 lakhs for the year ended 31 March 2018

41.3 In respect of RML, exceptional items represents :

During the year 2017-18, RML has recorded an aggregate claim of ₹1008 Lakhs from a customer towards certain product quality issues. 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 RML is confident of recovering this sum under the insurance policy.

42 Group Information

The group's subsidiaries, joint ventures and associate as at 31 March 2019 are set out below

Companies	Country of Incorporation	% of voting power held	
		As at 31 March 2019	As at 31 March 2018
a. Information about Subsidiaries			
Rane (Madras) Limited - (RML)	India	62%	60%
- Rane (Madras) International Holdings B.V (RMIH) - (subsidiary of RML)	The Netherlands	100%	100%
- Rane Precision Die Casting Inc., (RPDC) - (subsidiary of RMIH)	The United States of America	100%	100%
Rane Engine Valve Limited - (REVL)	India	55%	51%
Rane Brake Lining Limited - (RBL)	India	46%	46%
Rane t4u Private Limited	India	69%	69%
Rane Holdings America Inc.	The United States of America	100%	100%
Rane Holdings Europe GmbH	Germany	100%	100%
b. Information about Joint Ventures			
Rane TRW Steering Systems Private Limited - (RTSS)	India	50%	50%
Rane NSK Steering Systems Private Limited - (RNSS)	India	49%	49%
JMA Rane Marketing Limited (Refer note 42.1)	India	-	49%

42.1 During the year 2018-19, RHL has divested its entire holding of 3,60,003 (48.97%) in equity shares of ₹ 10/- each fully paid up of JMA Rane Marketing Limited, a joint venture company.

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43. 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	38.49%	43,101	65.93%	7,636	-279.59%	53	66.50%	7,689
Subsidiaries								
Indian								
1. Rane (Madras) Limited - Consolidated	20.56%	23,021	2.09%	242	221.05%	(42)	1.73%	200
2. Rane Engine Valve Limited	11.37%	12,731	-11.72%	(1,357)	28.91%	(5)	-11.79%	(1,363)
3. Rane Brake Lining Limited	18.73%	20,977	31.54%	3,653	43.98%	(8)	31.52%	3,645
4. Rane t4u Private Limited	0.95%	1,067	-6.54%	(758)	22.41%	(4)	-6.59%	(762)
Foreign								
1. Rane Holdings America Inc.	0.11%	122	0.16%	18	-31.86%	6	0.21%	24
2. Rane Holdings Europe GmbH	0.02%	28	0.05%	6	5.27%	(1)	0.04%	5
Non-controlling interests	22.70%	25,421	10.44%	1,209	225.36%	(43)	10.08%	1,166
Joint Ventures (Investment as per the equity method)								
Indian								
1. Rane TRW Steering Systems Private Limited			38.24%	4,429	-121.29%	23	38.50%	4,452
2. Rane NSK Steering Systems Private Limited			29.13%	3,374	-20.67%	4	29.21%	3,378
3. JMA Rane Marketing Limited			0.36%	42	6.44%	(1)	0.35%	41
Consolidation Adjustments	-12.93%	(14,481)	-59.67%	(6,911)	-	-	-59.75%	(6,911)
Total	**100.00%**	**1,11,988**	**100.00%**	**11,582**	**100.00%**	**(19)**	**100.00%**	**11,563**

44 Earnings Per Share

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit After Tax attributable to the owners - ₹ Lakhs	10,373	13,029
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹. 10/- each - Basic & Diluted - In ₹	**73**	**91**

45 Financial Instruments

45.1 Capital management

The Group manages it's capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation 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 19 and 15.a.) and total equity of the Group.

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45.2 Gearing ratio

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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Debt *	57,668	50,098
Cash and cash equivalents	(3,560)	(2,834)
Net debt	**54,107**	**47,263**
Total Equity**	**1,11,988**	**1,06,148**
Net debt to equity ratio (in times)	**0.48**	**0.45**

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

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

45.3 Categories of financial instruments

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
Equity investments	215	5
Derivative instruments	-	-
Mutual fund investments (quoted)	155	792
(b) Designated as at FVTPL	-	-
Measured at amortised cost		
(a) Trade Receivables	47,780	45,618
(b) Cash and cash equivalents	3,560	2,834
(c) Bank balances other than above	99	95
(d) Other financial assets	4,346	4,340
Measured at fair value through other comprehensive income (FVTOCI)		
(a) Investments in equity instruments designated upon initial recognition	1,868	1,026
(b) Fair value derivative hedging receivable	-	79
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	57,668	50,098
(b) Trade Payables	38,454	39,722
(c) Other Financial Liabilities	4,797	4,156
Measured at FVTPL		
Derivative Instruments	27	4

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45.3.1 Fair value of financial assets measured at FVTPL and FVTOCI (Refer 48.3):

Particulars	As at 31 March 2019	As at 31 March 2018	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets				
a. Mutual fund Investments (quoted)	155	792	1	Fair value is determined based on Net Assets Value published by respective funds
b. Derivative investments(forward contracts)	0	79	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
c. Equity investments measured at FVTPL	215	5	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 2018-19. 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	1,868	1,026	3	Carrying value approximates fair value
Total	**2,238**	**1,902**		
Financial liabilities				
a. Fair value Derivative Hedging liability	27	4	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
Total	**27**	**4**		
Net financial assets / (liabilities)	**2,210**	**1,898**		

*** 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.

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.

45.4 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 summarise 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.

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45.4.1 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.

45.5 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:

Foreign currency Lakhs

Currency	As at 31 March 2019	As at 31 March 2018
Financial Assets		
USD	238	210
EUR	10	10
JPY	-	8
GBP	1	1
AUD	-	-
	249	**229**
Financial Liabilities		
USD	70	116
EUR	3	5
JPY	893	888
GBP	-	-
AUD	-	-
	965	**1,009**

45.5.1 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%

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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	
	2018 - 2019	2017 - 2018	**2018 - 2019**	2017 - 2018
Financial Assets				
Increase/Decrease by 5%				
USD	499	439	326	287
EUR	40	40	26	26
JPY	-	1	-	1
GBP	21	23	14	15
AUD	-	-	-	-
	560	**503**	**366**	**329**
Financial Liabilities				
Increase/Decrease by 5%				
USD	213	378	139	247
EUR	2	22	1	14
JPY	6	4	4	3
GBP	-	1	-	-
AUD	-	-	-	-
	221	**404**	**145**	**264**
Total	**338**	**99**	**222**	**65**

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.

45.5.2 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.

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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:

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Buy USD		
Less than 3 months	301	812
Later than 3 months but upto 6 months	922	252
Later than 6 months but not later than 1 year	-	-
Total	**1,223**	**1,064**

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Sell USD		
Less than 3 months	-	732
Later than 3 months but upto 6 months	210	1,467
Later than 6 months but not later than 1 year	-	1,288
Total	**210**	**3,487**

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Buy JPY		
Less than 3 months	1,364	475
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
Total	**1,364**	**475**

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Sell Euro		
Less than 3 months	94	94
Later than 3 months but upto 6 months	95	97
Later than 6 months but not later than 1 year	-	-
Total	**189**	**191**

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for the year ended March 31, 2019

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Sell GBP		
Less than 3 months	28	12
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
Total	**28**	**12**

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2019 is as follows :

₹ Lakhs

Particulars	As at 31 March 2019
Balance at the beginning of the period	61
Gain/loss recognised in other comprehensive income during the period	(79)
Tax impact on above	18
Balance at the end of the period	-

45.6 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.

45.6.1 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 2019 would increase/decrease by ₹. 93.39 Lakhs (₹. 51.32 Lakhs) as a result of the changes in fair value of equity investments which have been irrevocably designated as at FVTOCI

45.7 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.

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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 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.

45.7.1 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.

45.7.2 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

₹ Lakhs

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of the year	845	854
Charge in statement of profit and loss	611	132
Amount written off during the year	(1)	(141)
Balance at the end of the year	**1,455**	**845**

45.7.3 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.

45.8 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.

45.8.1 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.

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019

₹ Lakhs

Particulars	As at 31 March 2019				
	Carrying amount	Less than 1 year	1-5 year	5 or more years	Total contractual cash flows
Borrowings	50,083	30,761	19,322	-	50,083
Interest on borrowings	251	251	-	-	251
Current Maturities of long term debt	7,585	7,585	-	-	7,585
Trade Payables	38,454	38,454	-	-	38,454
Other Financial Liabilities	4,573	4,568	5	-	4,573
Total	**1,00,946**	**81,619**	**19,327**	**-**	**1,00,946**

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				
	Carrying amount	Less than 1 year	1-5 year	5 or more years	Total contractual cash flows
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	39,722	39,722	-	-	39,722
Other Financial Liabilities	3,984	3,979	5	-	3,984
Total	**93,980**	**73,468**	**20,512**	**-**	**93,980**

45.9 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 Consolidated Financial Statements

for the year ended March 31, 2019

45.9.1 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 2019		As at 31 March 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
Trade Receivables	47,780	47,780	45,618	45,618
Cash and bank balances	3,560	3,560	2,834	2,834
Bank balances other than above	99	99	95	95
Security deposits	1,796	1,796	1,602	1,602
Interest receivable	81	81	93	93
Other deposits	506	506	514	514
Deposits with Statutory Authorities	41	41	41	41
Claims Receivable	1,618	1,618	1,501	1,501
Unclaimed dividend	-	-	21	21
Long term deposits more than 1 year	11	11	49	49
Loans and advances to employees	16	16	13	13
Rent deposits	90	90	92	92
Margin money Deposits	82	82	213	213
Advance recoverable in cash	33	33	38	38
Rebate of ED on Exports Receivable	-	-	81	81
Duty Drawback Receivable	37	37	64	64
Unbilled revenue	28	28	10	10
Others	7	7	8	8
Total	**55,785**	**55,785**	**52,887**	**52,887**
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings	50,083	50,083	45,545	45,545
Trade Payables	38,454	38,454	39,722	39,722
Current maturities of term loans from banks	7,585	7,585	4,553	4,553
Interest accrued but not due on borrowings	251	251	176	176
Trade deposits	132	132	3	3
Deposits C & F agents	5	5	5	5
Security deposits	92	92	36	36
Unclaimed dividend	102	102	104	104
Employee related	3,185	3,185	3,192	3,192
Payables on purchase of fixed assets	726	726	417	417
Commission payable to Chairman	144	144	124	124
Termination benefit under VRS	-	-	1	1
Others	160	160	98	98
Total	**1,00,919**	**1,00,919**	**93,976**	**93,976**

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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.

46. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 27 May 2019.

47. 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: 00012583

Chennai
May 27, 2019

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

₹ Lakhs

USD in Thousands
Euro in Thousands

1. Sl. No.	1	2	3	4	5		6	
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 1USD = ₹ 69.18		EURO 1EURO = 77.67	
					USD	INR	EURO	INR
5. Share capital	1,197	672	791	167	20	10	25	18
6. Reserves & surplus	21,825	12,059	20,186	900	157	113	10	10
7. Total assets	92,923	34,308	35,579	2,433	218	151	56	43
8. Total Liabilities	69,901	21,577	14,602	1,366	41	29	20	16
9. Investments	60	94	60	-	-	-	-	-
10. Turnover	1,56,456	42,486	52,097	2,430	546	381	168	136
11. Profit / (Loss) before taxation	2,564	(2,049)	4,931	(942)	36	25	11	9
12. Provision for taxation	2,321	(692)	1,278	(184)	10	7	3	3
13. Profit / (Loss) after taxation	243	(1,357)	3,653	(758)	26	18	8	6
14. Proposed Dividend	-	-	-	-	-	-	-	-
15. % of shareholding	61.64%	54.82%	46.33%	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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Notes Forming Part of Consolidated Financial Statements

for the year ended March 31, 2019

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ Lakhs

Name of Joint Ventures	Joint Venture Companies	
	Rane TRW Steering Systems Private Ltd	Rane NSK Steering Systems Private Ltd
1. Latest audited Balance Sheet Date	31 March 2019	31 March 2019
2. Shares of Joint Ventures held by the Company on the year end		
Number of Shares	43,69,123	87,71,000
Amount of Investment in Joint Ventures	2,332	1,012
Extent of Holding	50.00%	49.00%
3. Description of how there is significant influence	Note 1	Note 1
4. Reason why the joint venture is not consolidated	Note 2	Note 2
5. Networth attributable to Shareholding as per latest audited Balance Sheet	18,347	15,473
6. Profit / (Loss) for the year		
i. Considered in Consolidation	4,429	3,373
ii. Not Considered in Consolidation	4,429	3,511

Note 1 : There is significant influence due to percentage (%) of Share Capital.

Note 2 : The results 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
May 27, 2019

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Annexure to Report of the Board of Directors

Particulars of Directors, Key Managerial Personnel and Employees for the year 2018-19

A. Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	Remuneration FY 2018-19 (in ₹ Crs.)	% increase/ (decrease) of remuneration FY 2018-19	Ratio of remuneration of each director to median remuneration of employees
Mr. L Lakshman	Chairman Emeritus (Note iii)	1.00	Not comparable	
Key Managerial Personnel				
Mr. L Ganesh	Chairman & Managing Director	3.41	57%	42.70
Mr. Siva Chandrasekaran	Secretary	0.62	7%	N.A.
Mr. J Ananth	Chief Financial Officer	0.44	16%	

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 emoulments and designation as on date.

(iii) Remuneration paid to Chairman Emeritus relates to Commission and perqusities and excludes sitting fees and Advisory fees

2. Median remuneration of the employees of the Company for FY 2018-19 is ₹ 7.98 Lakhs. Increase in median remuneration during the year :10%

3. Number of permanent employees on the rolls of the Company as on March 31, 2019 is 86 and March 31, 2018 was 85.

4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year:14%

   As against the percentile increase in managerial remuneration: 57%. The increase in managerial remuneration is in line with the present industry standards.

5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

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

i. Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (₹)	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	Chairman & Managing Director	3,40,87,912	Permanent	B.Com., ACA, MBA & 41 years	August 01, 2009	65	Chairman & Managing Director – Rane Engine Valve Limited	8.47%	Brother of Mr. L Lakshman
Mr. R Venkatanarayanan	President - Corporate Services	1,26,17,408	Permanent	B.Sc., PG Dip. in Social Science, MHRM, CIPM & 34 years	March 17, 2007	58	General Manager – Human Resource, Rane Brake Lining Limited	-	-
Dr. P A Padmanabhan	Group CFO & President - Finance	71,77,812(#)	Permanent	B.Com., FCA, FCMA, FCS, Ph.D & 29 years	August 17, 2018	53	CFO - Zydus Healthcare Limited	0.0017%	-
Mr. Siva Chandrasekaran	Executive Vice President - Secretarial & Legal and Secretary	62,23,280	Permanent	B.Sc, ACS PGDCA & 30 years	July 01, 2005	55	Deputy General Manager – Secretarial Services Rane Brake Lining Limited.	0.0008%	-
Mr. S Varadharajan	Executive Vice President - Information Systems	46,06,347	Permanent	BE & 29 years	April 01, 2006	50	Senior Manager – ERP Rane TRW Steering Systems Pvt Limited	-	-
Mr. J Ananth	Vice President -Finance & CFO	43,53,762	Permanent	B.Sc., ACMA, ACA, ACS & 21 years	January 17, 2013	46	Deputy General Manager – Finance Rane TRW Steering Systems Pvt Limited	-	-
Mr. V Ramasubramanian	General Manager - Human Resource	39,70,151	Permanent	B.Com, MSW, MHRM & 19 years	March 15, 2013	43	Associate Director – Talent Attraction Crisil Limited	-	-
Mr. S. Gangadhar	Deputy General Manager - Business Development	34,13,931	Permanent	B.Tech. (Mechanical), PGDM & 18 years	March 21, 2013	42	Manager – Cognizant Technology Solutions Limited	-	-
Mr. Ashfaq Ahmed Kunjan	General Manager – Information Technology	31,05,064	Permanent	B.Com, PGDBA, ICWA & 28 years	November 11, 2016	51	Senior Member – Diligent Tech India	-	-
Mr. S. Prasad	Deputy General Manager -Chairman's Office	30,52,509	Permanent	BE (Computer Science), PGPM & 16 years	September 16, 2015	37	Associate Member – Crisil India	-	-

* includes joint holdings and HUF, if any

Employed for part of the year

ii. Employed throughout the financial year with remuneration not less than ₹1.20 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**

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

iv. Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof) : **NIL**

Rane
Expanding Horizons

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