Rane Holdings Limited

85th Annual Report 2020-21

READ INSIDE

FINANCIAL HIGHLIGHTS - STANDALONE

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Total Income	65.99	97.78	128.49	97.09	98.81	75.85	59.94	53.50	57.73	63.91
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)*	21.13	62.42	90.96	62.40	66.95	46.29	33.99	29.16	34.49	41.05
Profit Before Tax (PBT)*	14.98	57.04	87.49	58.79	62.76	42.90	32.68	27.95	32.53	38.11
Profit After Tax (PAT)	1.36	50.82	76.36	48.79	49.80	35.65	25.92	21.73	25.95	34.25

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Return on Capital Employed (ROCE) %	3.46	12.56	21.24	15.77	18.79	14.70	11.81	10.60	12.97	15.89
Return on Net Worth (RONW) %	0.29	11.41	19.13	13.34	15.20	12.17	9.38	8.24	10.32	14.54
Earnings Per Share (₹)	0.95	35.59	53.48	34.17	34.88	24.97	18.16	15.22	18.17	23.99
Dividend (%) (@)	-	80	190	145	85	100	75	65	80	100
Dividend Payout ratio (#)	-	25	49	51	29	48	50	50	51	48
Book Value Per Share (₹)	328.17	321.84	301.87	257.33	244.98	212.14	198.25	188.75	180.81	171.50

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

FINANCIAL YEAR	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Equity Share Capital	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28
Shareholders' funds	468.56	459.52	431.01	381.69	349.77	302.90	283.06	269.49	258.16	244.87
Non current Liabilities	72.82	23.41	13.99	19.15	8.45	22.40	0.64	0.84	2.65	4.11
Current Liabilities	20.46	19.43	16.34	16.45	13.67	12.23	18.47	16.93	14.25	22.06
Non current assets	538.84	483.22	445.00	394.38	306.38	320.74	280.92	273.17	267.38	264.33
Current assets	23.00	19.14	16.34	22.91	65.51	16.78	21.25	14.09	7.68	6.71

* EBITDA & PBT arrived after considering exceptional item.

(@) Includes final / interim 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.

** based on revised Schedule VI to Companies Act, 1956/ Schedule III to Companies Act, 2013 as applicable.

Note :

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

RANE GROUP AGGREGATE

(₹ in Crores)

FINANCIAL YEAR	FY 21	FY 20	FY 19	FY 18	FY 17
Total Income*	4,140.37	4,436.85	5,369.41	4,792.71	4,070.83
EBITDA#	145.07	244.65	552.26	600.19	533.78
PBT#	(113.60)	(32.79)	288.76	355.00	306.31
PAT	(96.68)	(28.31)	178.56	230.49	211.67
EPS** (₹)	(35.42)	(1.90)	72.65	91.26	93.41
Net Worth	1,082.17	1,149.43	1,275.14	1,185.76	963.95

(*) Total Income are net of excise duty wherever applicable.

(#) EBITDA & PBT arrived after considering exceptional item.

(**) Basic EPS for RHL on Consolidated basis.

FROM THE DESK OF THE CHAIRMAN

Dear Stakeholders,

As I write this note, India is just coming out of the second wave of Coronavirus (COVID-19) pandemic, which was much more severe than the first wave we saw last year. I hope we now prepare ourselves better for any future wave and see an economic recovery soon.

FY21 was a challenging year with the COVID-19 pandemic impacting the lives and livelihood of people across the globe. After the lockdown in the first quarter, the recovery in the demand environment was better than anticipated helping to partially mitigate the financial impact.

The global economy declined by 3.5% in 2020 due to COVID-19 outbreak. The Indian GDP growth is estimated to have declined by 7.5% in FY21. The fiscal support by various governments and liquidity infusion helped stronger recovery in demand preventing full blown recession.

Dealing with the pandemic

As we restarted our operations post lockdown in the first quarter of FY21, the group quickly implemented the requirements for physical distancing, sanitization and wearing masks across our plants and offices to ensure safety of our employees. Customer engagement, as well as internal interactions, were conducted leveraging the technologies for virtual meetings. Across the board, significant cost reduction projects were implemented to align the cost to the lower volumes.

Group Performance

The group aggregate Total Revenue declined 6.7% to ₹4,140.4 crore and EBITDA margin dropped 67 bps to 7.24%. The Group companies continued to engage in various operational improvement projects on productivity and to save costs on material procurement, power, etc.

We continued to focus on new business development initiatives during this period. I now turn to specific challenges we continued to face during the year.

The performance of Rane Light Metal Castings America (RLMCA) was affected significantly due to volume drop of existing products and delay in launch of new businesses due to COVID-19. The operational performance of the business has improved with the introduction of TQM practices. This was evident from the significant reduction in expedited freight cost, repairs, maintenance cost, consumable, tooling cost and the cost of poor quality. Rane (Madras) Limited Board is closely reviewing the performance of the business, considering the operational improvements, order book position and long-term potential.

Rane Engine Valve Limited turnaround plan is taking longer than anticipated due to drastic drop in volumes. The management team reduced the breakeven sales through operational improvement and cost reduction measures. We have also enhanced the order book position particularly non-automotive business.

Rane NSK Steering Systems Private Limited made further warranty provisions based on the continued claims in FY21. We are confident that the countermeasure has adequately addressed the root cause. We hope to see some stabilization in this warranty issue in the current year.

Rane Brake Lining Limited and Rane TRW Steering Systems Private Limited continued to strengthen their market position and performed well.

CSR

Rane's major CSR projects of Polytechnic college and CBSE School near Trichy adopted online model and successfully completed the Academic year 2020-21. Both the institutions continue to do well in terms of student engagement with the virtual delivery model even during pandemic times.

Looking forward

We remain optimistic about the demand recovery in FY22. However, the risk of any further pandemic waves and resultant lockdown could derail the growth.

An excellent, dedicated and professional team of employees continue to drive the company's efforts on enhancing our market position and improving the operational and financial performance in these challenging times.

On behalf of the entire Board of Rane Holdings Limited, I would like to thank all our Stakeholders – Customers, Employees, Vendors, Investors, Bankers, Government and most importantly our shareholders, who have conferred immense confidence in us, throughout this long journey.

Yours Sincerely,

L Ganesh

Chairman

RANE HOLDINGS LIMITED

Board of Directors
L Ganesh,
Chairman & Managing Director
Harish Lakshman,
Vice Chairman & Joint Managing Director
Pradip Kumar Bishnoi
Rajeev Gupta
Dr. Sheela Bhide
Dr. V Sumantran

Chairman Emeritus
L Lakshman

Audit Committee
Dr. V Sumantran, *Chairman*
L Ganesh
Rajeev Gupta
Dr. Sheela Bhide

Stakeholders Relationship Committee
Dr. Sheela Bhide, *Chairman*
Harish Lakshman
L Ganesh

Nomination and Remuneration Committee
Dr. V Sumantran, *Chairman*
Pradip Kumar Bishnoi
Dr. Sheela Bhide

Corporate Social Responsibility Committee
L Ganesh, *Chairman*
Harish Lakshman
Dr. Sheela Bhide

Risk Management Committee
L Ganesh, *Chairman*
Harish Lakshman
Dr. V Sumantran
P A Padmanabhan, President- Finance

President - Corporate Services
R Venkatanarayanan

President – Finance and Group CFO
P A Padmanabhan

Executive Vice President - Secretarial & Legal and Company Secretary
Siva Chandrasekaran

Vice President - Finance & CFO
J Ananth

Listing of Shares on
BSE Limited, Mumbai
National Stock Exchange of India Limited, Mumbai

Statutory Auditors
M/s. B S R & Co. LLP
Chartered Accountants,
KRM Tower, First & Second Floor,
No.1, Harrington Road,
Chetpet, Chennai - 600 031

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
Indian Bank, Chennai – 600 006
Federal Bank Ltd, Chennai 600 002

Registered Office
Rane Holdings Limited
CIN: L35999TN1936PLC002202
"MAITHRI", 132, Cathedral Road
Chennai 600 086
Phone : +91 44 28112472
Email : investorservices@ranegroup.com
Website : www.ranegroup.com

Registrar and Transfer Agent
Integrated Registry Management Services Private Limited
"Kences Towers", 2nd Floor, No.1 Ramakrishna Street
North Usman Road, T.Nagar, Chennai - 600 017
Ph : +91-44-28140801-03; Fax : +91-44-28142479
E-mail : corpserv@integratedindia.in
Website : www.integratedindia.in

Rane Holdings Limited

CIN: L35999TN1936PLC002202
Registered Office: "Maithri",No. 132, Cathedral Road, Chennai - 600 086
Phone: 044-28112472/73
E-mail:investorservices@ranegroup.com, website:www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the **Eighty Fifth (85th) Annual General Meeting of Rane Holdings Limited** will be held on **Friday, August 06, 2021** at **15:00 hrs (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

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

To consider passing the following resolution(s) as an **ordinary resolution**:

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

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

2. To appoint a Director in the place of Mr. Ganesh Lakshminarayan (DIN: 00012583), who retires by rotation and being eligible, offers himself for re-appointment

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

"Resolved that Mr. Ganesh Lakshminarayan (DIN: 00012583), who retires by rotation under article 108 and 110 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

3. To amend the Articles of Association of the Company

To consider passing the following resolution as a **special resolution**:

"Resolved that pursuant to the provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, as amended, and rules made thereunder or any other law for the time being in force (including any statutory modifications or re-enactment(s) thereof for the time being in force) and as approved and recommended by the Board of Directors, the Articles of Association of the Company be and is hereby amended by inserting the following article(s) a new Article 116A i.e. "Chairman Emeritus" after the existing Article 116 and Article 185A i.e. "Directors and officers Liability Insurance" after the existing Article 185 of the Articles of Association of the Company as under:

Chairman Emeritus

116A. a) The Board shall be entitled to appoint any of its present or former Chairman or director of the Company or any of its subsidiaries, who has rendered significant or distinguished services to the Company or the Rane Group or the industry to which the Company's business relates or in the public field, as the Chairman Emeritus of the Company, for such period as may be determined by the Board.

b) The Chairman Emeritus shall be entitled to attend meetings of the Board or any of its committees as an invitee, but shall not have a right to vote and shall not be deemed to be a party to any decision of the Board or its Committees.

c) The Chairman Emeritus shall not be deemed to be a Director for any purposes of the Act or any other statute or Rules made thereunder or these Articles including for the purpose of determining the maximum number of Directors which the Company can appoint.

d) Subject to applicable law, the Board may decide to make any payment in any manner and provide with such amenities and facilities for any services rendered by the Chairman Emeritus to the Company.

Directors and officers Liability Insurance

185A. The Company may take and maintain any insurance that the Board may think fit on behalf of its Directors (present and former), Key Managerial Personnel and officers of the Company, its subsidiaries and associates for indemnifying any or all of them against any liability for any acts in relation to the Company for which they may be liable.

Resolved further that the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things, ratify any actions undertaken and settle any matters that may arise, as may be considered necessary, proper or expedient in order to give effect to the above resolution."

4. **Approval to appoint Mr. L Lakshman, as Chairman Emeritus**

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

   "Resolved that, pursuant to Section 188(1) and other applicable provisions of the Companies Act, 2013 ('the Act'), the rules made thereunder or any amendment thereto or modification thereof and such other approvals, permissions and sanctions, as may be required, and pursuant to the recommendations of the Nomination and Remuneration Committee and approval by the Audit Committee and by the Board, consent of the members be and is hereby accorded for the appointment of Mr. L Lakshman as Chairman Emeritus, for a period of 5 years from May 28, 2021 to May 27, 2026 and he shall be paid a remuneration of ₹1.25 crores per annum, on such terms and conditions as detailed in the explanatory statement hereto.

   Resolved further that the Board of Directors or its committees thereof be and are hereby severally authorised to give effect to the above resolutions, sign and execute documents, settle any questions or doubts and do all actions, deeds and things in connection with the aforementioned resolution, as may be required from time to time."

(By order of the Board)
For Rane Holdings Limited

Chennai
May 27, 2021

Siva Chandrasekaran
Secretary

Registered Office:
Rane Holdings Limited
"Maithri", No.132, Cathedral Road,
Chennai - 600 086
CIN: L35999TN1936PLC002202
www.ranegroup.com

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated January 13, 2021 (read with previous circulars) in this regard and Securities and Exchange Board of India ("SEBI") vide circular dated January 15, 2021 (read with previous circulars) in this regard permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The deemed venue for the 85th AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.

2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**

4. Corporate members intending to send their authorised representatives to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the Board resolution authorising their representative to the registered email address of the Company i.e., investorservices@ranegroup.com.

5. The cut-off date for the purpose of determining eligibility of members for voting in connection with the Eighty Fifth AGM is **Friday, July 30, 2021.**

6. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed/unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.

7. Members may also note that the notice of the Eighty Fifth AGM and the annual report 2021 will be available in the Investors Section on the Company's website www.ranegroup.com.

8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.

9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and

those holding shares in physical form are requested to notify the RTA at the following address:

M/s. Integrated Registry Management Services Private Limited
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017
E-mail ID: corpserv@integratedindia.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479

10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.

11. Effective April 01, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members will need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition will be accepted by the Company/RTA.

12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio. The share certificate(s) will be returned to the members after necessary endorsements.

13. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website www.ranegroup.com.

14. In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 13, 2021 & 15, 2021 (read with previous circulars), Notice of the AGM along with the Annual Report 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

16. Information pursuant to regulations 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.

17. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com. The same will be replied by the Company suitably.

18. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.

19. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members/shareholders facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.

    i. The facility of casting the votes by the members/ shareholders using an electronic voting system from a place other than venue of the AGM ('remote e-voting') and for poll during the meeting will be provided by Central Depository Services (India) Limited **(CDSL e-Voting System)**.

    ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM.

    iii. The 'remote e-voting' period commences on **Tuesday, August 03, 2021 (9:00 hrs)** and ends on **Thursday, August 05, 2021 (17:00 hrs)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **Friday, July 30, 2021**, may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by **Thursday, August 05, 2021 (17:00 hrs)** for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

    iv. The voting rights of members/shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., **Friday, July 30, 2021**.

    Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e. **Friday, July 30, 2021**, may obtain the login ID and password by sending a request to the Company / RTA.

v. Mr. C Ramasubramaniam, Practicing Company Secretary (ICSI Membership no. FCS 6125), Partner, M/s. CR & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.

vi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

The instructions of shareholders for remote e-voting are as under:

(i) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(ii) In order to encourage public / non-institutional / retail shareholders, SEBI has vide Circular No. **SEBI/HO/CFD /CMD/CIR/P/2020/242 dated December 09, 2020** on e-voting facility provided by listed companies, enabled Individual shareholders holding securities in demat mode to vote through their demat account maintained with their respective Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

CDSL	NSDL
1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp.

CDSL	NSDL
3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

a. The shareholders should log on to the e-voting website www.evotingindia.com.

b. Click on "Shareholders" module.

c. Now enter your User ID

I. For CDSL: 16 digits beneficiary ID

II. For NSDL: 8 Character DP ID followed by 8 Digits Client ID

III. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company

d. Next enter the Image Verification as displayed and Click on Login.

e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

f. If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form other than individual and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field.

(iv) After entering these details appropriately, click on "SUBMIT" tab.

(v) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(vii) Click on EVSN for RANE HOLDINGS LIMITED.

(viii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(x) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xiii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xiv) **Additional facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**

a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

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

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.

4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email ID, mobile number at investorservices@ranegroup.com. from July 29, 2021 (09:00 hrs IST) to August 02, 2021 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in abovementioned time period mentioning their name, demat account number/folio number, email ID, mobile number at investorservices@ranegroup.com.

These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company's Email ID** investorservices@ranegroup.com **or to RTA email ID** srirams@integratedindia.in.

2. For Demat shareholders - Please update your email ID & mobile no. with your respective Depository Participant (DP)

3. For Individual Demat shareholders – Please update your Email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

(By order of the Board)
For Rane Holdings Limited

Chennai
May 27, 2021

Siva Chandrasekaran
Secretary

Registered Office:
Rane Holdings Limited
"Maithri", No.132, Cathedral Road,
Chennai - 600 086
CIN: L35999TN1936PLC002202
www.ranegroup.com

EXPLANATORY STATEMENT

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

Item No. 3

The extant legal and regulatory framework is silent on inclusion of a provision regarding "Chairman Emeritus" in the Articles of Association (the "Articles"). The Articles of the Company also currently do not contain such a provision.

As the Company has immensely benefited from the guidance, advice and mentorship provided by the Chairman Emeritus during the last few years and continuation of such position is considered in the long-term interests of the Company, it is therefore proposed to insert provisions in the existing Articles relating to appointment of present or former Chairman of the Board or director of the Company or any of its subsidiaries, who has rendered significant or distinguished services to the Company or to the Rane Group or to the industry to which the Company's business relates or in the public field, as "Chairman Emeritus" on such terms and conditions as approved by the Board.

The Board, with a view to insert such a provision in the Articles regarding Chairman Emeritus, at its meeting held on May 27, 2021, approved amendment to the existing Articles by insertion of new Article 116A after the existing Article 116 as set out in the resolution.

The members may further note that the existing Article 185 contains a provision for indemnifying the Directors (former and present), Key Managerial Personnel and Officers of the Company against any civil or criminal proceedings. The Companies Act, 2013 also recognises providing for a Directors and Officers insurance at the cost of the Company as part of indemnifying them. In order to provide for the same in the Articles, it is proposed to insert an Article 185A after Article 185 to empower the company to take and maintain any insurance to indemnify the Director (former and present), Key Managerial Personnel and Officers of the Company, its subsidiary, associate and group companies.

In accordance with Section 14 of the Act, approval of members of the Company is being sought by a special resolution to amend the Articles of Association of the Company by inserting the aforementioned new Articles viz. 116A and 185A.

A copy of the Articles containing the proposed amendment, is available for inspection by the members at the Registered Office of the Company on all working days i.e., from Monday to Friday (except holidays) from 10.00 a.m. to 12.30 p.m. from the date of dispatch of the notice, up to the last date of voting i.e., August 05, 2021 and will also be available on the website of the Company.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, directly or indirectly, financially or otherwise, in this resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends passing of the resolution as set out in item no. 3 of this notice as **special resolution**.

Item No. 4

Mr. L Lakshman has been associated with the Rane group of companies for over five decades and has played an instrumental role in shaping the Company. Under his guidance and leadership, the Company has achieved new heights. He has also served in industry organizations such as ACMA, Madras Chamber of Commerce & Industry and ASSOCHAM, a federation of chambers of commerce, as President.

He served in various capacities on the board of Rane Group companies since 1992 and has also been on the boards of other public limited companies. He retired as Chairman of the operating companies of the group in October 2006. He served as an Executive Chairman of the Company till March 31, 2017. The Board of Directors, at its meeting held on March 31, 2017, unanimously approved the continuation of Mr. L Lakshman as Non-Executive Director and designated him as Chairman Emeritus.

Since April 2017, Mr. L Lakshman has been serving as a non-executive director on the board of Rane Group companies, providing guidance to the executive management. In 2017, the shareholders approved a compensation of ₹1.00 crore per annum payable as advisory fee to him as Chairman Emeritus for a period of four years till March 31, 2021 in addition to sitting fees and commission of up to 2% of the net profits subject to a ceiling of ₹1.00 crore.

At the meeting of the Board of Directors of the Company held on May 27, 2021, the Board considered and accepted Mr. L Lakshman's intention to retire from his position as a non-executive director with effect from the end of business hours on May 27, 2021, as per the retirement policy of the company applicable to the board of directors. The Chairman, on behalf of the Board, placed on record the invaluable contributions of Mr. L Lakshman from the perspective of Rane group's long-term sustainable growth.

As a visionary leader, Mr. L Lakshman steered the Rane group during a very challenging and exciting phase in the automobile industry's evolution and transformation in India. He was an early adopter of quality initiatives in India and under his leadership, Rane Brake Lining Limited, Rane Engine Valve Limited, Rane TRW Steering Systems Private Limited and Rane (Madras) Limited have successfully implemented Total Quality Management (TQM) and won the coveted Deming Prize. With his valuable guidance, TQM was institutionalised across the Rane Group with Rane TRW Steering Systems Private Limited (Steering Gear Division), Rane (Madras) Limited and Rane Brake Lining Limited also winning the prestigious Deming Grand Prize (Japan Quality Medal), the highest milestone of TQM.

Indian Society for Quality (ISQ) honored Mr. L Lakshman with the Jamsetji Tata Award in the year 2012 for Life Time Achievement in successfully managing business through quality and contributing to creation of quality culture in society.

Mr. L Lakshman spearheads the CSR initiatives of Rane Group and is also the Managing Trustee of Rane Foundation, a public charitable trust. In 2011, Rane Foundation established the Rane Polytechnic Technical Campus (RPTC) to augment human capital formation in vocational skills. In 2018, Rane Foundation established Rane Vidyalaya (RV) in Manachanallur Taluk, Tiruchirappalli District, Tamilnadu, to provide wholesome education to rural children. Mr. L Lakshman, chairs the RPTC Governing Council and RV Management Committee. He was also a member of the governing council of The Banyan, Chennai, a long-standing NGO engaged in rehabilitating destitute women.

Recognizing his contribution towards growth of the Company and the Rane group, his vast expertise, experience and knowledge of the industry especially in areas like business strategies, human resource, Total Quality Management, Information Technology, etc., and pursuant to the recommendation of the Nomination and Remuneration Committee, the board is of the opinion that the continued association of Mr. L Lakshman, in an advisory/mentorship role as Chairman Emeritus, would be in the long-term interest of the Company, would add goodwill to the Company, and all its stakeholders would immensely benefit from his tremendous experience, knowledge and wisdom in the business of the Company and the industry to which the Company belongs.

At the unanimous request of the Company's Board of Directors, Mr. L Lakshman has consented to provide guidance and mentorship to the executive management, advisory support in initiatives of strategic importance to the Group's future growth plans of entering new business areas in India as well as plans for expansion in overseas markets.

In accordance with Section 188(1) of the Companies Act, 2013 and the SEBI LODR, the appointment of Mr. L Lakshman as Chairman Emeritus would be a related party transaction. The Audit Committee at its meeting held on May 27, 2021 considered the proposed appointment to be at arm's length basis, and approved it and recommended it to the Board for its approval.

The Board at its meeting held on May 27, 2021 considered the matter in detail and based on the recommendations of the Nomination and Remuneration Committee and Audit Committee, approved the proposal and requested Mr. L Lakshman to continue his services to the group as Chairman Emeritus. The Board has recommended, subject to the approval of the shareholders, that he be paid a remuneration of ₹1.25 crores per annum, for period of five (5) years commencing from May 28, 2021 to May 27, 2026. The fee shall be exclusive of re-imbursement of cost incurred at actuals. Applicable taxes will be deducted at source. He will continue to be eligible for medical and other insurances for self and family.

The particulars to be disclosed pursuant to para. 3 of explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Mr. L Lakshman
Name of the Director or Key Managerial Personnel (KMP) who is related	Mr. L Ganesh, Chairman and Managing Director Mr. Harish Lakshman, Vice Chairman and Joint Managing Director
Nature of relationship	Mr. L Lakshman is Brother of Mr. L Ganesh and Father of Mr. Harish Lakshman, who are part of the promoter and promoter group of the Company.
Nature, material terms, monetary value and particulars of the contract or arrangement	Remuneration of ₹1.25 crores per annum payable to Mr. L Lakshman as Chairman Emeritus, at such intervals as may be agreed with him. Other out of pocket expenses incurred by him would be reimbursed at actuals. The broad scope of his advisory services include: a) Matters of Corporate Strategy, new business opportunities. b) Be the sounding board for the Company on Company policies/initiatives. c) Building the Company's image and brand equity. d) Provide mentorship to the senior management personnel in the group. The Chairman Emeritus shall be entitled to attend meetings of the Board or any of its committees as an invitee, but shall not have a right to vote and shall not be deemed to be a party to any decision of the Board or its committees thereof. The Chairman Emeritus shall not be deemed to be a director for any purposes of the Companies Act, 2013 or any other statute or Rules made thereunder including for the purpose of determining the maximum number of directors which the Company can appoint.
Duration of contract	From May 28, 2021 to May 27, 2026.
Shareholding in the Company	Mr. L Lakshman holds 7.81% (11,14,745 equity shares) in the equity share capital of the Company.

Mr. L Ganesh and Mr. Harish Lakshman, Directors being relatives of Mr. L Lakshman are deemed to be interested in this Resolution. None of the other Directors and Key Managerial Personnel of the Company or their relatives are interested in this Resolution.

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

(By order of the Board)
For Rane Holdings Limited

Chennai
May 27, 2021

Siva Chandrasekaran
Secretary

Registered Office:
Rane Holdings Limited
"Maithri", No.132, Cathedral Road,
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CIN: L35999TN1936PLC002202
www.ranegroup.com

Annexure to the Notice dated May 27, 2021

Information about Director(s) seeking appointment / re-appointment at the 85th Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) as on May 27, 2021

Name of the Director	Mr. Ganesh Lakshminarayan
Father's Name	Mr. L L Narayan
Director Identification Number (DIN)	00012583
Age (in years)	67
Date of Birth	March 18, 1954
Educational Qualifications	B. Com., ACA, MBA
Experience	Mr. L Ganesh is a Chartered Accountant and also holds an MBA from the Pennsylvania State University, USA. He has over 45 years of industrial experience and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an honorary consul for New Zealand in South India.
Date of first appointment on the Board	August 01, 2009
Terms and Conditions of appointment	Re-appointment as a Director, liable to retire by rotation.
Last drawn remuneration	₹2,42,09,104
Remuneration sought to be paid	No approval is being sought for payment of remuneration.
Relationship with other Directors / Manager / KMP	Brother of Mr. L Lakshman, Chairman Emeritus
Other Directorships	**Chairman** Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited Chennai Willingdon Corporate Foundation Chennai Heritage Foundation **Independent Director** EIH Limited EIH Associated Hotels Limited Sundaram Finance Limited

Name of the Director	Mr. Ganesh Lakshminarayan
Committee Memberships in other Boards	**Member – Audit Committee** Rane Brake Lining Limited EIH Associated Hotels Limited EIH Limited **Chairman- Audit Committee** Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited **Member – Stakeholders Relationship Committee** Rane Engine Valve Limited Rane Brake Lining Limited **Member – Nomination and Remuneration Committee** Rane (Madras) Limited Rane Brake Lining Limited **Chairman- Nomination and Remuneration Committee** EIH Limited **Member –Corporate Social Responsibility Committee** Rane Brake Lining Limited Rane Engine Valve Limited Rane (Madras) Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited **Member - Risk Management Committee** EIH Limited
Number of meetings of the Board attended during the year	6
Number of equity shares held (including joint holding & HUF, if any)*	12,09,533

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

(By order of the Board)
For Rane Holdings Limited

Siva Chandrasekaran
Secretary

Chennai
May 27, 2021

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REPORT OF THE BOARD OF DIRECTORS

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

1. State of Company's affairs

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

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

1.1. Financial Performance

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	Products / Services	Shareholding
Subsidiary Companies			
1	Rane (Madras) Limited (RML)	Steering gear products, steering and suspension linkages, Light metal casting products and other articles of aluminum	68.47%
	Step Down Subsidiaries		
	a) Rane (Madras) International Holdings B.V., The Netherlands - (RMIH)	Holds strategic overseas investments	100.00%
	(i) Rane Light Metal Castings Inc. USA (RLMCA) (formerly Rane Precision Die Casting Inc. USA (RPDC))	High pressure Light metal 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	47.52%
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 (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 Telematics t4u Private Limited)	Connected Mobility Solutions	70.01%
Joint Venture Companies			
7	Rane TRW Steering Systems Private Limited (RTSS)	Hydraulic steering gear, Hydraulic pumps, Seat belt and Air Bags	50.00%
8	Rane NSK Steering Systems Private Limited (RNSS)	Manual steering columns and Electric Power Steering	49.00%

The Company's three main income streams are Dividend from investments, Trademark fee out of 'RANE' trademark ownership and Service fees from Rane Group Companies. The Company provides services in areas of Management consultancy, Information Technology, Business Development and Human Resource training, 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.

The Company on January 07, 2021, duly exercised conversion of 11,61,440 warrants out of 17,42,160 warrants into 11,61,440 equity shares having a face value of ₹10/- each at a warrant exercise price of ₹287/- per warrant, resulting in an increase in shareholding of the Company in RML to 66.52%. The Company again on January 29, 2021, subscribed to 25,49,936 warrants convertible into equivalent number of shares having a face value of ₹10/- each of RML on payment of ₹15.00 crore, being the warrant subscription price (25% of the issue price of ₹235.30/- per warrant). These warrants are convertible in one or more tranches within a period of eighteen (18) months from the date of allotment of warrants. The Company, on March 29, 2021, duly exercised conversion of 8,49,978 warrants out of the 25,49,936 warrants into 8,49,978 equity shares having a face value of ₹10/- each at an warrant exercise price of ₹235.30/- per warrant, resulting in an increase in shareholding of the Company in RML by 1.95% to 68.47%. The balance 16,99,958 warrants would be due for conversion into equivalent number of equity shares of ₹10/- each on or before July 27, 2022.

Due to the Buyback of shares by subsidiary Rane Brake Lining Limited (RBL) during the Financial Year 2020-21, the shareholding of the Company in RBL increased by further 0.93% to 47.52%. During the period under review, there was no change in management or control by RHL in Rane Group Companies, except for change in shareholding in RML and RBL as mentioned above. The standalone financial highlights for the year under review are as follows:

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue from Operations	65.08	97.31
Other Income	0.91	0.47
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	36.70	62.42
Less: Depreciation / Amortisation	3.06	3.21
Profit / loss before Finance Costs, Exceptional items and Tax Expense	33.64	59.21
Less: Finance Costs	3.09	2.17
Profit / loss before Exceptional items and Tax Expense	30.55	57.04
Add / (less): Exceptional items	(15.57)	-
Profit / (loss) before Tax Expense	14.98	57.04
Less: Tax Expense (Current & Deferred)	13.62	6.22
Profit / (loss) for the year (1)	1.36	50.82
Total Other Comprehensive Income / loss (2)*	0.49	(0.55)
Total (1+2)	**1.85**	**50.27**
Balance of profit / loss for earlier years	76.03	88.95
Less: Transfer to Reserves	-	38.05
Less: Dividend paid on Equity Shares	5.71	21.42
Less: Dividend Distribution Tax	-	3.72
Balance carried forward	72.17	76.03

**Re-measurement of defined benefit plans (Net of Taxes) recognised as part of retained earnings*

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

The total standalone income of the Company was ₹65.99 crores, dropped by 32.51% when compared to the previous year, due to lower trade mark fee, service fees and dividend income. The Company netted a Profit After Tax (PAT) of Rs. 1.36 crores, which is 2.06% of the turnover for FY 2020-21 and this has resulted in Earnings Per Share (EPS) of ₹1/- for FY 2020-21 as against an EPS of ₹36/- for previous Financial Year.

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

1.2. Appropriation

An amount of ₹72.17 crores of the profit is available for appropriation as at the end of FY 2020-21. The Board of Directors, taking into consideration, the uncertainties faced by the automotive sector and the Indian economy as a whole, has decided not to declare / recommend any dividend, for the year under review.

1.3. Credit rating

The Company's financial management and its ability to service financial obligations in a timely manner, has been re-affirmed by ICRA AA- with outlook as stable, during the year under review and this has been disclosed to stock exchanges and made available on time in the Company's website.The Corporate Governance section of this annual report carries the details of credit rating.

1.4. Share Capital

During the year under review, the paid up capital of the Company stood at ₹14,27,78,090 consisting of 1,42,77,809 equity shares having face value of ₹10/- each fully paid up. There has been no change in capital structure of the Company.

1.5. 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 the transportation industry and also provide services unique to Rane Group. A detailed analysis of the automotive industry, group companies' performance, internal control systems and risk management process, etc. are presented in the 'Management Discussion & Analysis' report forming part of this annual report and are provided in '**Annexure A**'.

1.6. Subsidiaries, Associate and Joint Venture Companies

The Management Discussion and Analysis section of the Annual Report contains the financial highlights of performance of Subsidiaries, Associates and Joint Venture Companies and their contribution to the overall performance of the Company.

1.7. Consolidated financial statements

The 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 interests have been appropriately considered.

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

The consolidated financial statements of the Company are prepared based on the audited financial statement of the subsidiary companies and joint-venture companies, for the year ended March 31, 2021. Except in the case of RHEG, Wholly Owned Subsidiary, of whom the financial statements as certified by the management has been taken into consideration for the purpose of consolidation, as there is no requirement of audit under the jurisdictional laws of RHEG for the time being in force.

The salient features of financial statement of these subsidiary companies are provided in form AOC-1 forming part of this annual report in terms of the provisions of Section 129(3) of the Companies Act, 2013 ("Act"). The Company will make available a softcopy of the annual report and annual accounts of the subsidiary Companies to any member on request of the same in accordance with the provisions of Section 136 of the Act. Further, the annual financial statements of the subsidiary Companies have been made available in the website of the Company at www.ranegroup.com.

2. Board of Directors, Committees and Management

2.1. Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee ,Corporate Social Responsibility Committee and Risk Management Committee, are constituted in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The Board of Directors have also constituted an Executive Committee and a Finance Committee. The Corporate Governance Report given in '**Annexure E**' to this report contains the composition of the Board of Directors of the Company and its Committees.

The following are the details of change in composition of the Board of Directors and its Committees.

Mr. Lakshman Lakshminarayan (DIN: 00012554), Non-Executive Director, retired as per the retirement policy of the Company effective from the conclusion of the business hours on May 27, 2021. He has been associated with Rane group for over 5 decades and as Director for about 3 decades. He has been instrumental in steering the Rane Group during a very challenging and exciting phase in the automobile industry's evolution and transformation in India The Board placed on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters. Consequent to his retirement he ceased to be a member of the Stakeholders Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee in which he served as a Member / Chairman.

The Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director proposed for appointment / re-appointment at the ensuing 85th AGM of the Company.

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

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2020-21 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Ganesh Lakshminarayan (DIN: 00012583) retires by rotation at the ensuing 85th Annual General Meeting (AGM) and being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Ganesh Lakshminarayan as a Director is included in the notice convening the 85th AGM.

2.3. Board and Committee meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The gap between any two consecutive meetings of the Board of directors was less than 120 days. The details of Committee meetings are provided in the Corporate Governance report.

2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of the flow of information between the management and the Board. The Independent Directors expressed that the present flow of information was timely and of superior quality and enable them 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 and Vice Chairman and Joint Managing Director of the Company taking into consideration the views of the Non-Executive Directors.

2.5. Board evaluation

The Board carried out an annual evaluation of its performance as well as the working of its Committees and individual directors, including the chairman of the Board. This exercise was carried out through a structured questionnaire seeking qualitative inputs and comments on the Board and its Committees, chairman, managing director and individual directors. The performance evaluation of chairman and non-independent directors were also reviewed by Independent Directors at a separate meeting. The parameters included various aspects of the Board's functioning such as skill set and diversity of the board to review strategy and risk management dimensions and processes, information flow on state of affairs of the company, talent management & human capital challenges, effectiveness of presentations, priorities accorded by the Board particularly to cyber security and effectiveness of Board's processes of reviewing annual operating plan and strategic business plan.

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

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

2.6. Familiarisation program for Independent Directors

The details of familiarisation program for Independent Directors are available at the weblink: http://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-directors/.

2.7. Key Managerial Personnel

As at year ended March 31, 2021, Mr. L Ganesh, Chairman & Managing Director, Mr. Harish Lakshman, Vice-Chairman & Joint Managing Director, Mr. Siva Chandrasekaran, Secretary and Mr. J Ananth, Chief Financial Officer hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Act. During the year, there was no change in the KMP.

2.8. Remuneration policy

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

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

In accordance with the said policy, approval obtained from the shareholders in terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) at the 84th AGM held on August 14, 2020, for payment of remuneration in excess of 5% of net profits of the Company to Mr. L Ganesh, Chairman and Managing Director and Mr. Harish Lakshman, Vice-Chairman and Joint-Managing Director.

In addition approval was also obtained from the shareholders in terms of Regulation 17(6)(ca) of SEBI LODR at the 84th AGM held on August 14, 2020, for payment of remuneration Mr. L Lakshman, Chairman Emeritus, an amount exceeding 50% of total annual remuneration payable to other Non-Executive Director, for the FY 2020-21.

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

3. Audit and allied matters

3.1. Audit Committee

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

3.2. Statutory Auditor

M/s B S R & Co. LLP (BSR) were appointed in their first term as Statutory Auditors at the 84th AGM held on August 14, 2020, for a period of five years i.e., until the conclusion of the 89th AGM (2025).

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

BSR 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, 2021 does not contain any qualification, reservation, adverse remark or disclaimer.

3.3. Cost Audit & Maintenance of cost records

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

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, is the Secretarial Auditors of the Company as appointed by the Board of Directors in terms of Section 204 of the Act. The Secretarial Audit report given in '**Annexure B**' was taken on record by the Board of Directors at its meeting held on May 27, 2021. The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report') for FY 2020-21 issued by M/s. S Krishnamurthy & Co., the Secretarial Auditor 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, 2021. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

3.5. Internal Auditor

M/s. Capri Assurance and Advisory Servicies, a firm of independent assurance service professionals, were the Internal Auditors the Company during the year under review. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, ensure effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. Internal Auditor reports directly to the Audit Committee. The 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 2020-21, the Audit Committee has taken on record their certification to the effect that:

a. They have evaluated the internal control 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 Committee / Board;

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

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

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

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

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

4. Directors' Responsibility Statement

In terms of Section 134(3)(c) read with section 134(5) of the Act, 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.

5. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: '**To be a socially and environmentally responsible corporate citizen**'. The CSR activities of Rane Group focus on four specific areas of (a) Education; (b) Healthcare; (c) Community Development; and (d) Environment.

The CSR Committee of the Board is responsible for recommending CSR projects and activities to the Board in line with the CSR policy. The CSR Committee monitors and reviews the implementation of CSR activities periodically.

During the year, CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Chairman & Managing Director and Dr. (Ms.) Sheela Bhide, Independent Director, as its members.

During the year the Company has contributed a sum of ₹1.10 Crores on various CSR activities as per the CSR policy and recommendations of the CSR Committee. The '**Annexure C**' to this report contains the annual report on CSR activities of the Company for FY 2020-21. The CSR policy of the Company, amended in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is posted on the website and is available at the web-link:http://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/.

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

The Company is conscious of the imperative to protect the 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 is 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

(₹ in Crores)

Foreign Exchange	2020-21	2019-20
Earnings	2.63	5.81
Outgo	6.84	5.09

7. Related Party Transactions (RPT)

All RPT that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. 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 AOC-2 in '**Annexure D**' of this annual 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 RPT are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered in the ordinary course of business. 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 a proper system for identification and monitoring of such transactions. Save as disclosed in this report none of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company. The policy on RPT as approved by the Board is uploaded on the Company's website at the weblink: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 (except payment of remuneration / sitting fee, as applicable), where they have personal interest, which may have potential conflict with interest of the Company at large.

8. Corporate Governance Report

Your Company is committed to maintaining the highest standards of corporate governance in spirit and also a leader in complying with the regulatory norms under the SEBI regulations and other laws and regulations applicable to the Company. The Corporate Governance Report and the certificate issued by the Statutory Auditors are available in '**Annexure E**' to this report.

9. Business responsibility reporting

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for FY 2020-21 is provided in '**Annexure F**' to this report. The Company practices various business responsibility initiatives as per the Business Responsibility framework of the Rane Group. This framework is developed and steered at Rane group under the able leadership and guidance of Mr. L Ganesh, Chairman who is also responsible for the implementation of the Business Responsibility initiatives.

10. Particulars of Directors, KMP 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, KMP and employees of the Company are provided as an **Annexure** to this report.

11. Risk Management

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

In accordance with amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from May 05, 2021, the Company falls in the top 1000 companies based on Market Capitalization as on March 31, 2021. The Board has constituted a Risk Management Committee effective from June 01, 2021 and has also framed a Risk Management Committee Charter. The details of composition are provided in '**Annexure E**' to this report.

12. Other disclosures

a. The 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 Annual 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 www.ranegroup.com.

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

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

g. The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the Corporate Governance section of this Annual Report.

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

i. 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. The policy which is also available on the intranet portal of the Company provides adequate safeguard against victimisation and has provided direct access to the Chairman of the Audit Committee for the employees and state their complaints / grievances.

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

   No. of complaints received during the financial year – **Nil**

   No. of complaints disposed during the financial year – **Nil**

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

k. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA") read with circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by Securities Exchange Board of India ("SEBI"). The full Annual Report will be made available on the website of the Company and will also be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 85th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

l. Annual General Meeting

   In view of the COVID-19 pandemic and in the interest of all stakeholders, the 85th AGM would be conducted through video conferencing or other audio visual means on August 06, 2021 at 15:00 hrs (IST), as per the framework notified by the Ministry of Corporate Affairs. The notice convening the 85th AGM contains detailed instructions and notes in this regard.

Acknowledgement

We thank our Investors, Customers, Vendors, Bankers, Regulatory and Government authorities, Reserve Bank of India, Stock Exchanges and Business Associates for their assistance, support and cooperation extended. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

	Harish Lakshman	Ganesh Lakshminarayan
Chennai	Vice-Chairman	Chairman
May 27, 2021	DIN: 00012602	DIN: 00012583

Annexure A to the Report of the Directors

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, Light metal casting products and Connected mobility solutions. The products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Railways and Stationary Engines. With 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

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

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

2.2. Indian Economy

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

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

3. Industry Review

3.1. Global Automobile Industry

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

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

The global automotive industry has been witnessing subdued demand for the last two consecutive years due to shrinking economic activity, rising competition, slowdown in BRIC economies, and tightening lending norms. The coronavirus (COVID-19) pandemic inflicted severe blow to the already struggling industry and brought a decade of expansion in the global automotive industry to an abrupt halt. However, the global auto industry is witnessing signs of revival and continues to show resilience boosted by a low interest rate and consumer shift towards personal mobility over public and shared transport. Share of Electric Vehicles is expected to increase in the years ahead with digital transformation expected to be major growth driver going forward. Diverse mobility, connectivity and powertrain choices and increasing level of autonomy are the key disruptive technologies that will shape the future of mobility.

3.2. Indian Automobile Industry

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

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

Domestic Commercial Vehicle (CV) segment was the worst impacted with volumes declining by 17% as it faced multiple headwinds in the form of surplus capacity with the fleet operators, a weak freight demand on the back of a slowdown in economic activity, higher BS6 price and stringent financing norms. The medium and heavy commercial vehicles (M&HCV) segment was the hardest hit due to the unprecedented lockdown which resulted in a slowdown in economic activities. Recovery in the M&HCV was marginal due to poor freight availability, surplus capacity, and slowdown in execution of infrastructure projects. However, announcement of multiple infrastructure projects as well as mining activities by Central and various State Governments helped in the segment's recovery towards the end of the fiscal year. Despite nascent recovery in terms of utilization levels of fleet operators and CV financing picking pace towards the second half of the fiscal year, FY21 was a washout year for M&HCV which recorded a sharp decline of 21% in volume. The Light Commercial Vehicles (LCV) segment reported slight decline of 12% in volume due to a strong momentum in e-Commerce, Pharma, FMCG, Consumer durables and Agri movement. The Small Commercial Vehicles (SCV) segment reported a decline of 21% in volume.

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

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

Source: Society of Indian Automobile Manufacturers (SIAM)

3.3. Indian auto component industry

The Indian auto-components industry is set to become the third largest in the world by 2025. As per ACMA forecasts, automobile component export from India is expected to reach US$ 80 billion by 2026. The industry which faced severe disruption due to the coronavirus pandemic is gradually witnessing revival in demand as the impact of the pandemic continues to fade. Though the slowdown caused by the pandemic has impacted the industry in the short term, the outlook for Indian auto component looks promising in the long term backed by its cost competitiveness, rising incomes, rapid urbanization, improving infrastructure and growing export opportunity. Moreover, the introduction of PLI scheme and vehicle scrappage policy is likely to provide a major boost to the industry reeling under the impact of the pandemic and make it more competitive globally.

3.4. Indian Automotive Aftermarket Industry

Despite the automotive sales declining in fiscal 2021, the automotive aftermarket industry demonstrated resilience and remained pretty stable. The Indian automotive aftermarket is expected to reach $32 bn by 2026, according to Invest India. The rising demand for personal mobility has led to increase in demand for first- and second-hand vehicles which in turn will lead to the need for auto repairs and servicing thereby boosting growth in the automotive aftermarket segment. Given the recession-proof nature of the segment, group Companies continued to maximise the opportunities in the Indian aftermarket by strengthening the distribution channel and also expanding the product range for the aftermarket segment. The future of the automotive secondary market looks promising amidst all the transformations that the sector is undergoing. Digitization and data analytics will be the key driving force in the aftermarket in India.

4. Business Review

4.1. Rane Holdings Limited (RHL)

Operational Highlights

- The Group Companies registered a sale of ₹4,036 crores.
- Continued to engage in various lean measures to improve productivity.
- Implemented strategic savings initiatives on power, sourcing etc., at the group level.
- RHL increased its shareholding in two of its subsidiaries, viz., Rane (Madras) Limited (RML) and Rane Brake Lining Limited (RBL).

Financial Highlights

Standalone Financial Highlights

- Total Revenue was ₹65.99 crores for FY21 as compared to ₹97.78 crores in FY20, a decrease of 32.51%.
- Operating revenue decreased from ₹97.31 crores in FY20 to ₹65.08 crores in FY21 due to lower dividend income, Service fee and trademark fee from Group Companies.
- Other income increased from ₹0.47 crores in FY20 to ₹0.91 crores in FY21. There was a one-off income of ₹0.31 crores during current year FY21 on account of Interest on income tax refund.
- EBITDA stood at ₹36.70 crores as compared to ₹62.42 crores during FY20, a decrease of 41.20%.
- Net profit (PAT) stood at ₹1.36 crores for FY21 as compared to ₹50.82 crores in FY20.

The Net profits and return on equity of the company was affected by the severe impact of COVID in Q1 in all operating group companies. In addition, an impairment provision of ₹15.57 crores has been made on account of investment in a subsidiary, Rane t4u.

Consolidated Financial Highlights

- Total Revenue was ₹2,057.02 crores for FY21 as compared to ₹2,184.00 crores in FY20, a decrease of 5.81%.
- EBITDA stood at ₹133.85 crores as compared to ₹171.19 crores during FY20, recording a decrease of 21.81%.
- Net Loss stood at ₹60.35 crores for FY21 as compared to ₹10.47 crores in FY20.

There are significant changes in respect of interest coverage ratio, operating profit margin net profit margin and Return on Net worth. The drop in sales volume has resulted a drop in operating profit margin. The Net profit margin and Return on Networth was further impacted due to exceptional expenditure pertaining to provisions made towards diminution in the value of investments in certain subsidiary companies and the provision for product warranty claims made by one of the Group company.

4.2. Subsidiary Companies

4.2.1 Rane (Madras) Limited (RML)

Operational Highlights

Rane (Madras) Limited (RML)

- The operations team optimised capacity and managed the ramp up through pandemic situation through better coordination across supply chain.
- Enhanced capacity in Hydraulics and Rack & Pinion segments to meet the new business requirements.
- The R&D facilities were upgraded both at Chennai and Puducherry to meet the increased product performance requirements and support new product development.
- Won the following awards from customers:
  - Outstanding Support for PVBU and CVBU from Tata Motors.
  - Bronze Award for Quality – TML.
  - Sales & Delivery Appreciation award – ITL.
  - Best supplier award from TML on OES demand fulfilment.
- The Light Metal Casting business' manufacturing cost was brought down with operational improvements, machine availability, cycle time reduction and effective tool management. The Light Metal Casting India business is diversifying its portfolio by pursuing

both new OEMs and new product segments, which will enhance growth potential.

Rane Light Metal Castings Inc.

The Operational performance of the US subsidiary, Rane Light Metal Castings Inc. (LMCA) has improved with the introduction of TQM best practices such as Policy Management, DRMs, PDCA way of working, preventive maintenance, and tool management. It was evident from the significant reduction in expedited freight cost, repair and maintenance cost, consumable and tooling cost and cost of poor quality.

During FY 2020-21, the launch of key new businesses were deferred by the customers to early FY 22 due to the COVID-19 pandemic. LMCA continued to face challenge of lower off take from existing customers resulting in significant drop in sales and impacted the profitability severely as major portion of labour cost and salary cost are fixed in nature.

The focus for FY 2021-22 will be to win additional new businesses that can ensure the long term sustainability of the Company. RML board will review the performance of the business closely in the next 12 months and take an appropriate decision, keeping in view the long term interest of shareholders.

<u>Financial Highlights</u>

Standalone Financial Highlights

- Total revenue was ₹1,151.05 crores for FY21 as compared to ₹1,119.23 crores in FY20, an increase of 2.84%
- 3% growth in the Indian market - Experienced volume increase across segments
- 10% growth in the Indian Aftermarket business
- 19% growth in the exports market due to increase in sales in Steering gear products.
- EBITDA stood ₹93.22 crores as compared to ₹98.50 crores during FY20, a decrease of 5.35%
- Net Loss stood at ₹50.69 crores for FY21 as compared to Net Loss of ₹24.43 crores in FY20

Consolidated Financial Highlights

- Total revenue was ₹1,274.26 crores for FY21 as compared to ₹1,291.52 crores in FY20, a decrease of 1.34%.
- EBITDA stood at ₹37.69 crores as compared to ₹60.34 crores during FY20, a decrease of 37.81%
- Net Loss stood at ₹61.14 crores for FY21 as compared to Net loss of ₹45.51 crores in FY20

4.2.2 Rane Engine Valve Limited (REVL)

<u>Operational Highlights</u>

- Through proactive R&D engagement aligned company's technology road map with that of customer objectives such as emission control, light weighting and fuel efficiency improvements.
- Despite drop in capacity utilisation, continued to improve productivity and quality during the year.
- Invested in establishing a dedicated Stem hollow valve manufacturing capability.
- Continued its good performance on customer quality with less than 3 parts per million.
- REVL became a Great Place to Work certified Company.
- Won the following customer award:

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

<u>Financial Highlights</u>

- Total revenue was ₹304.94 crores for FY21 as compared to ₹358.15 crores in FY20, recording a decrease of 14.86%
- Sales to OE customers was down by 14% due to drop in overall market across all segments
- Sales to the Aftermarket segment were down by 21%
- In the Exports market, OEM sales were down by 27% due to lower off take by the OEM customers. However, Export aftermarket sales grew by 4%.
- EBITDA stood at ₹(0.74) crores as compared to ₹13.31 crores during FY20, a decrease of 106%
- Net loss stood at ₹6.09 crores for FY21 as compared to ₹16.34 crores in FY20

4.2.3 Rane Brake Lining Limited (RBL)

<u>Operational Highlights</u>

- Quality enhanced capacity creation and simple automation projects at Puducherry and Trichy Plants.
- Continued focus on enhancing formulation library to cope up with present and future vehicle technologies.
- Special focus on AM with improved coverage on vehicle parc and new launches.
- RBL became a Great Place to Work certified Company for a consecutive period of fifth year.

Financial Highlights

- Total revenue was ₹434.81 crores for FY21 as compared to ₹481.43 crores in FY20, recording a decrease of 9.68%
- Domestic OE sales registered a 15.1% decline. The market drop was partially mitigated through volume enhancement in Two Wheeler segment.
- The Aftermarket business declined by 5% growth.
- EBITDA stood at ₹71.61 crores as compared to ₹70.99 crores during FY20, witnessing an increase by 0.88%.
- Net profit (PAT) stood at ₹31.80 crores for FY21 as compared to ₹34.34 crores in FY20.

4.2.4 Rane t4u Private Limited (Rane t4u)

Industry performance FY 20-21

Indian economy been recovering fast from COVID impact from 3rd quarter of FY20-21 has seen good recovery in e-commerce / Automobile / Logistics. The emphasis on efficient and cost-effective mobility solutions for goods movement and people both in urban and semi urban areas is increasing. On the other hand, the awareness about conscious management of natural resources is growing and governments are tightening the regulatory actions for mining and transportation of natural resources.

All these developments are pushing up the digitalization of transportation services and hence IOT/Telematics based services are witnessing big growth.

Operational Highlights

The services business was significantly impacted in people mobility segment due to COVID-19 pandemic. JSMDC Sand mining Project implemented and started revenue from few locations. Full scale deployment to various other locations expected in FY21-22. However, Karnataka Sand seen reduction in Revenue. As part of new Business development, some of the opportunities in State Transport Buses for Driver Safety solutions, Sand Mitra Solutions got delayed and could not be implemented in the current year.

Financial Highlights

- Total revenue was ₹10.99 crores for FY21 as compared to ₹19.74 crores for FY20
- EBITDA stood negative at ₹3.97 crores as compared to negative of ₹3.11 crores for FY20
- Net loss stood at ₹4.96 crores for FY21 as compared to ₹4.40 crores for FY20

Industry Outlook for FY 20-21

The spread of the Coronavirus pandemic is likely to result in severe contraction in global and Indian economy. This will create headwinds to the business environment and significantly affect the served segments such as logistics, people mobility, etc. Due to the lockdowns, there are considerable delays for new businesses and expansions. From the operations point of view, Rane t4u is able to sustain with limited disruptions due to the Distributed Network Model. The Company foresee improved business prospects during the second half of the fiscal year 21-22.

4.3. Joint Ventures

4.3.1 Rane TRW Steering Systems Private Limited (RTSS)

Operational Highlights

- Timely new product development for migration to BS VI helped to achieve higher Share of Business on Steering Gear products.
- Exports contributed to 64% of the Occupant Safety products sales.
- Various localisation, alternative sourcing and material cost reduction measures successfully implemented.
- Won the Best Supplier Award from VECV for Supplies.

Financial Highlights

- Total revenue was ₹1,038.86 crores for FY21 as compared to ₹1,137.07 crores in FY20, recording a decrease of 8.64%
- EBITDA stood at ₹87.10 crores as compared to ₹94.12 crores during FY20, recording a decrease of 7.46%
- Net profit (PAT) stood at ₹24.95 crores for FY21 as compared to ₹33.19 crores in FY20

4.3.2 Rane NSK Steering Systems Private Limited (RNSS)

Operational Highlights

- Initiated cost reduction measures in line with the volumes drop and was able to leverage the fixed costs in areas of flexibility.
- Commenced the Software Engineering support services to ADTech Ltd (Subsidiary of NSK Ltd Japan) which would showcase the skills of R&D Team.

Financial Highlights

- Total revenue was ₹1,076.50 crores for FY21 as compared to ₹1,148.94 crores in FY20, recording a decrease of 6.27% .
- EBITDA stood at ₹108.26 crores as compared to ₹115.25 crores during FY20, witnessing a decrease of 6.07%.
- Profit before exceptional items stood at ₹54.74 crores as compared to ₹59.61 crores during FY20, witnessing a decrease of 8.17%.

- Net Loss stood at ₹81.26 crores for FY21 as compared to Net Profit (PAT) ₹29.59 crores in FY20. This includes an Exceptional expense towards estimated warranty provision of ₹177.10 crores in FY21 as against ₹104.56 crores in FY20.

Warranty Provision

RNSS provided ₹177.1 crores in FY2020-21 as warranty expenses for certain lots of products sold to a customer in the past. The provisions are made based on technical estimates, considering the production periods and the timing of the various countermeasures implemented. While there has been a significant reduction in the Warranty claims post such counter measures, the claims pertaining to the period prior to the countermeasures continue to be high and pose a significant financial risk. The Company continues to explore mitigation measures to reduce the impact of the warranty and is in continuous discussion with its Joint Venture Partner on ways and means to mitigate this risk.

4.4. Opportunities and Threats

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

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

The last 18 months have been a very turbulent time in the world and the effects of the global pandemic are manifesting in many ways. India is firmly at war with second wave of the pandemic, while also battling rising input costs and global logistic supply chain disruptions due to container shortage and logjams at ports. The semiconductor crisis has further impacted the production plans in all geographies.

4.5. Outlook

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

The Domestic market has witnessed a steep recovery and the export market has stabilised despite several headwinds due to the COVID-19 Pandemic. While India is still grappling with second wave, the implications of which are yet to be fully seen, the overall sentiment of the industry going into FY22 is one of cautious optimism.

5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with a risk mitigation plan to the Board of Directors on a half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The risks from extreme events are monitored as a part of a process across locations. 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 competitive markets and availability of unorganised players pose further challenges.	The Company's long-standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. 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 of critical products supplied by the Group.	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help the Company mitigate quality and delivery risks.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop a strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin.	The Company constantly strives to mitigate the input cost increases by: a) Implementing a procurement function that will work on cost reduction initiatives through alternate sourcing, localisation, etc. b) Negotiating and passing through input cost, which increases suitably, to the customers. c) Working on process improvements, yield improvements, etc.
Financial	Currency Risk	The Company is exposed to foreign currency exchange risk as it exports its products to various countries and imports raw materials.	The Company uses a multi-pronged approach as suitable to the scenarios. It includes: a) Optimally balancing the import and export to create natural hedge. b) Working with customer-to-index prices to mitigate currency fluctuations. c) Taking simple forwards on a rolling basis to protect its export realization.
	Interest rate risk	Use of borrowings to fund expansion exposes the Company to interest rate risk.	The Company manages interest rate risk on the following basis: a) Maintaining optimal debt-equity levels. b) Using internal accruals to fund expansion. c) Constantly optimizing working capital to reduce interest costs.

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY21, the Company focused on the following competency enhancement initiatives:

Leadership Development

Young Leadership Development (YLD) Batch 4 was rolled out for first time managers and experienced individual contributors. One participant underwent 4 days of facilitator led workshop delivered in two modules.

Managerial & Technical Competency Development Programs

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

6.2. Employee Engagement and Well-being

The company believes in enhancing employees' everyday experiences and in building meaningful workplace relationships. Employee feedback surveys and discussions help us by providing insights on what is important to employees. A follow up mechanism ensures that change and progress occur. In recognition of our efforts, four of Rane Group companies including the Company have been certified as "Great Place to Work" Companies.

With an objective to promote a culture of well-being and improving health outcomes, the Company organized wellness events, rendered wellness services and provided supplementary resources. Employee feedback surveys and discussions help us by providing insights on what is important to employees. The follow up mechanism ensures that change and progress occur.

Mental Health and Well-Being

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

Values Workshop

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

Response to COVID

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

6.3. Digital Initiatives

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

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

Kick-start is a mobile application that provides consistent induction experience to all the new hires. The platform provides micro learning content on Rane Group's mission, products, policies etc. leading to enhanced learning results and business outcomes while improving the engagement levels significantly.

6.4. Industrial Relations

Industrial relations were generally cordial in all the plants.

The group level industrial relations council works towards the objective of creating a healthy working environment by promoting peace and harmony amongst all segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing of best practices.

7. Information Technology (IT)

Rane Data Centre (RDC) provides service delivery of IT infrastructure, application development and information security across Rane Group companies. During the year, further activities were taken up to prepare the migration from SAP R3 to SAP S4 Hana such as completion of SAP BW production to Hana database, migration of SAP solution manager to Sybase database, also migrating the SAP system to cloud after thorough evaluation.

To comply with the customer and regulatory requirements, traceability related projects for Component level traceability of incoming and outgoing materials was developed and implemented at Occupant Safety Division. At the shop floor, Manufacturing Execution System (MES) project was initiated for implementation at RBL Pondicherry. System changes were done to support the ever increasing compliance with GST and necessary support to enable work from home during pandemic was done by implementing Remote Desktop Sharing tool.

As part of Industry 4.0 initiatives, PoC for Centralized Overall Equipment Efficiency solution has been successfully completed and the same shall be rolled out in other plants. To further the sustainable development, Smart Utility Management solution PoC is ongoing to monitor and reduce the energy, water and pneumatic utilisation. Further, as part of digital factory initiatives, end to end digital factory solution for RBL implementation is in progress and in parallel we are working on similar initiatives at RNSS.

The Information Security Management System has been strengthened by implementing additional controls & measures to support work from home during the pandemic, also both Internal and external audits including training of Information Security Management (ISO 27001) audits were conducted remotely.

8. 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 FY21, 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. The foundation is continuously working to live the vision – 'To be a socially and environmentally responsible corporate citizen'. The foundation's efforts are humble yet persistent effort over the years has touched thousands of lives and brought about a positive change in society in the areas of Education, Healthcare, Environment and Community Development.

Rane Group Companies contribute to various sustainability initiatives to improve the quality of life for the local communities. All the 26 manufacturing plants maintain the highest standards in continuously reducing industrial waste and pollutants. The Company employees volunteer their time, management expertise and execution skills to help make life better for the society.

Education:

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its tenth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019–20. Over the last few batches, 1283 students have completed their diploma program, and 242 students will complete the program in the academic year 2020-21. About 93% of the students received placement through Campus interviews.

"The Finishing School Programme" offered by the College during the three years which is beyond the prescribed curriculum makes a huge difference to their students for their industry readiness. Teachers at the college had incorporated rigorous mock interview sessions both online and offline. Continuous interaction with corporate leaders and effective mentoring by the faculty members ensured desired placements thereby reinforcing faith in the quality of talent by opening more of their desired roles, during such challenging times.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy. In June 2018, Rane Vidyalaya was recognized by The Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi. In 2020-21, it reached a student strength of 380 in its third year of operations, functioning from LKG to VI standard proving the need for a quality school in rural area. The school was quick on its feet to start online classes from Apr 2020, through various means such as Zoom, Google Classrooms and Meet, Apps for Mathematics and English, and dedicated YouTube channels etc. This was well received by the parents and the students who were quick to adapt to the new modes of teaching.

Healthcare:

Rane Foundation and companies made significant contribution towards COVID relief measures to various relief funds and NGOs.

Other CSR activities undertaken during the financial year 2020-21 were:

- Supporting Freedom Trust for rehabilitation of handicapped & paraplegics.
- Financial support to Tanker Foundation for support to underprivileged patients for dialysis, transplantation, investigation and medication costs.
- Supporting Worth Trust to help differently-abled persons.

9. Internal Control Systems

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

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

10. Cautionary statement

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

Annexure B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2021

Form No. MR-3

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

To the Members of
Rane 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, 2020 to March 31, 2021** ('the year'/ 'audit period'/ 'period under review').

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

We are issuing this report based on:

(i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related actions taken by the Company, during the year as well as after March 31, 2021, but before the issue of this report;

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

(iii) Report regarding compliance with certain 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, 2021**, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

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

1. Compliance with specific statutory provisions

We further report that:

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

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

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

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

(iv) 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; and

(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, 2021, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) The Company has complied with the applicable provisions of the Act, Rules and Regulations mentioned in paragraph 1.1 (i) to (iv) above.

(ii) The Company has complied with the applicable provisions of the SEBI Regulations and Agreements mentioned in paragraph 1.1 (v) and (vi) above.

(iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors'

(SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards – 4 (SS-4) on 'Report of the Board of Directors', being non-mandatory, have not been adopted by the Company.

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

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

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

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

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

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

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

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and

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

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

2. Board processes

We further report that:

2.1 Board constitution and balance

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

(ii) As on March 31, 2021, the Board of Directors of the Company comprises of:

(a) 2 (two) Executive Directors

(b) 1 (one) Non-Executive Non-Independent Director; 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 Companies Act, 2013, and SEBI LODR:

(a) Re-appointment of Mr. Ganesh Lakshminarayan (DIN: 00012583) as Managing Director in the designation of Chairman, for a period of 5 (five) years from April 1, 2020 to March 31, 2025, which was approved by the members at the 84th Annual General Meeting held on August 14, 2020.

(b) Re-appointment of Mr. Harish Lakshman (DIN: 00012602) as a Director, upon retirement by rotation at the 84th Annual General Meeting held on August 14, 2020.

2.2 Board meetings

(i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings, other than 1 (one) meeting which was called at a shorter notice.

(ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance, except in respect of 1 (one) meeting which was called at a shorter notice, in accordance with Section 173(3) of the Companies Act, 2013.

(iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings (except in respect of the meeting held at a shorter notice) with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of directors as required under SS-1:

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

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

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

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

(i) Majority decisions were carried through; and

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

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

(A) Investment in Rane (Madras) Limited

(I) Allotment of shares on January 7, 2021

11,61,440 Equity shares of ₹10/- each, fully paid-up, in Rane (Madras) Limited (RML), a subsidiary company, were allotted to Rane Holdings Limited (RHL), on January 7, 2021, pursuant to conversion of the entire balance of 11,61,440 warrants out of the 17,42,160 warrants allotted on December 18, 2019 to RHL on preferential basis, and payment by RHL of the warrant exercise price of ₹215.25/- per warrant (being the balance 75% of the issue price of ₹287/- per equity share) aggregating to ₹25 Crores. Consequent to this allotment, the shareholding of RHL in RML increased from 79,61,398 Equity shares of ₹10/- each (63.42%) to 91,22,838 Equity shares of ₹10/- each (66.52%).

(II) Preferential issue of warrants on January 29, 2021

Pursuant to the approval accorded by the members of RML through postal ballot on January 16, 2021, 25,49,936 warrants of ₹10/- each, were allotted on preferential basis by RML to RHL, on January 29, 2021, upon payment by RHL of the warrant subscription price of ₹58.83/- per warrant (being 25% of the issue price of ₹235.30/- per equity share) aggregating to ₹15 Crores. The warrants are convertible into 25,49,936 Equity shares of ₹10/- each, fully paid-up, at a price of ₹235.30/- per equity share, upon application by RHL and payment of the warrant exercise price of ₹176.47/- per warrant, on or before the expiry of 18 (eighteen) months from the date of allotment.

(III) Allotment of shares on March 29, 2021

8,49,978 Equity shares of ₹10/- each, fully paid-up, were allotted by RML to RHL on March 29, 2021, pursuant to conversion of 8,49,978 warrants, out of the 25,49,936 warrants allotted to RHL on January 29, 2021, and payment by RHL of the warrant exercise price of ₹176.47/- per warrant (being the balance 75% of the issue price of ₹235.30/- per equity share) aggregating to ₹15 Crores. Consequent to this allotment, the shareholding of RHL in RML increased from 91,22,838 Equity shares of ₹10/- each (66.52%) to 99,72,816 Equity shares of ₹10/- each (68.47%).

(B) Investment in AutoTech Fund I, LP

Further investment of USD 900,000 in AutoTech Fund I, LP, an overseas technology fund, towards share of capital contribution as one of the Limited Partners in the Fund.

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

K Sriram
Partner
Membership No.: **F6312**
Certificate of Practice No.: **2215**
UDIN: **F006312C000377430**

Place: Chennai
Date : May 27, 2021

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, 2021, is to be read along with this letter.

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

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

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

4. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:

   (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.

   (b) Compliance related action taken by the Company after March 31, 2021, but before the issue of this report; and

   (c) Notifications / Circulars / Guidelines issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, and Guidelines issued by the Institute of Company Secretaries of India, in respect of various compliance related events as stated therein.

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

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

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

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

K Sriram
Partner
Membership No.: **F6312**
Certificate of Practice No.: **2215**
UDIN: **F006312C000377430**

Place: Chennai
Date : May 27, 2021

Annexure C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2020 - 21

1. A brief outline of the Company's CSR policy

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

Our CSR vision is **'To be a socially and environmentally responsible corporate citizen'**. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our Business partners and motivate people to make the right choices for the business, communities and the planet. Our belief in good citizenship drives us to create maximum impact in areas of:

(a) Education;

(b) Health Care;

(c) Environment; and

(d) Community Development.

Overview of projects implemented during FY 2020-21

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education. RF has established Rane Polytechnic and Rane Vidyalaya at Trichy, Tamil Nadu. Rane Polytechnic is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. Rane Vidyalaya is recognized by Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi and operates classes LKG to VI standard.

During the year, the Company has implemented several projects primarily focusing on Education followed by Healthcare and Community Development.

Education

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its ninth academic year. The Institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in FY 2019-20. Over the last few batches, 1,283 students have completed their diploma program, of which, 242 students have completed the program in current year. Over 90% of the students are placed through campus interview. The institution endeavours to offer quality technical education and sustainable development of the rural youth.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy. Rane Vidyalaya was established in June 2018 in Theerampalyam, Mannachannallur Taluk, Trichy district, with a mission of providing quality education for rural children. The school began functioning from the academic year 2018-19. The aim of Rane Vidyalaya is to provide a conducive learning environment to children, develop well qualified teachers and support staff for continuous improvement and to recognize diversity of talent amongst children by promoting extra- curricular activities. The school offers nursery and primary education to start with and shall gradually scale to offer up to higher secondary education in due course of time. Rane Vidyalaya is recognised by The Directorate of School Education, Tamil Nadu and has got affiliated to the Central Board of Secondary Education, New Delhi. In 2020-21, it reached a student strength of 380 in its third year of operations, operating from LKG to VI standard.

Healthcare

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

- Support for physically challenged people in and around Trichy through Freedom Trust. With the help of qualified Doctors and paramedical staff, a disability assessment camp was conducted in Spastics Society Campus, Tiruchirappalli District and mobility aids were distributed to 35 beneficiaries as part of this project.
- Contributed to CM Relief fund for COVID-19 relief measures in Tamil Nadu.
- Support to underprivileged patients for dialysis, transplantation, investigation and medication costs through Tanker Foundation.

Community Development

- Promoting special education and employment enhancing vocation skills.
- Provided support to Street and Slum Children.

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 headed by the Board CSR Committee. The members of the CSR Committee are:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. L Lakshman, Committee Chairman	Non-Executive and Promoter Director	One (1)	One (1)
2.	Mr. L Ganesh, Committee Member	Chairman, Managing Director and Promoter		
3.	Dr. (Ms.) Sheela Bhide, Committee Member	Non-Executive and Independent Director		

The Board CSR Committee grants auxiliary power to the working Committee of the Company to act on their behalf. The members of the CSR working Committee are:

Members	Designation
Mr. R Venkatanarayanan	President – Corporate Services
Mr. J Ananth	Vice President – Finance & CFO

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the company: http://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 – Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1.	2017-2018	Nil	Nil
2.	2018-2019	Nil	Nil
3.	2019-2020	Nil	Nil

6. Average net profit of the company as per section 135(5)

(₹ in Crores)

Particulars	2017-2018	2018-2019	2019-2020
Net profit for the year (PAT)	48.79	76.36	50.82
Adjusted Net profit (as per Section 135 read with Section 198)	27.75	29.97	23.98
Average Net profit		**27.23**	

7. (a) Two percent of average net profit of the company as per section 135(5) - **₹54.46 Lakhs**

   (b) Surplus arising out of CSR projects/programmes/activities of the previous financial years - **NIL**

   (c) Amount required to be set off for the financial year - **NIL**

   (d) Total CSR obligation for the financial year (7a+7b- 7c) - **₹54.46 Lakhs**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,09,65,400	NIL			NIL	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Sche-dule VII to the Act	Local area (Yes / No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implem-entation Direct (Yes /No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number

NIL

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency.	
				State	District			Name	CSR registration number**
1	Education - Institutional Development	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Tamil Nadu	Trichy	68,00,000/-	No	Rane Foundation (Registered Trust)	CSR00004387
2	Health Care, Sanitization and Disaster Management	Support towards health care and sanitation and disaster management activities related to COVID-19 pandemic	Yes	Tamil Nadu	Chennai	25,00,000/-	No	Contribution to TN CM Public Relief Fund	NA
3	Community Development	Promoting special education and employment enhancing vocation skills	Yes	Tamil Nadu	Chennai	2,48,400/-	No	Worth Trust	NA
4	Health Care	Support to under privileged patients for dialysis, transplantation, investigation and medication costs	Yes	Tamil Nadu	Chennai	10,00,000/-	No	Tanker Foundation	NA
5	Health Care	Rehabilitation of handicapped and paraplegics	Yes	Tamil Nadu	Chennai	4,12,000/-	No	Freedom Trust	NA
6	Community Development	Provided support to Street and Slum Children	Yes	Tamil Nadu	Chennai	5,000/-	Yes	NA	NA
	TOTAL					1,09,65,400/-			

** The requirement for CSR Registration number is mandatory post April 01, 2021. The projects reported were approved prior to April 01, 2021.

(d) Amount spent in Administrative Overheads – **Nil**

(e) Amount spent on Impact Assessment – **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) – **₹109.65 Lakhs**

(g) Excess amount for set off – **₹55.19 Lakhs**

Sl. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	54.46
(ii)	Total amount spent for the Financial Year	109.65
(iii)	Excess amount spent for the financial year [(ii)-(i)]	55.19
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	55.19

9. (a) Details of Unspent CSR amount for the preceding three financial year(s):

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Nil							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed / Ongoing
Nil								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). – **Not Applicable**

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset(s).

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - **Not Applicable.**

Lakshman Lakshminarayan
Chairman of CSR Committee
DIN: 00012554

Ganesh Lakshminarayan
Chairman
DIN: 00012583

Chennai
May 27, 2021

Annexure D to the Report of the Board of Directors

FORM NO. AOC -2

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

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, 2021, which were not at arm's length basis.

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

S 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 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 11, 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, pursuant to the provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), the Company had obtained shareholders' approval for the payment of Commission and Advisory Fee to Mr. L Lakshman for the year 2020-21 at the 84th annual general meeting held on August 14, 2020.
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Harish Lakshman
Vice-Chairman
DIN:00012602

Ganesh Lakshminarayan
Chairman
DIN:00012583

Chennai
May 27, 2021

Annexure E to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

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

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

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

2. Board of Directors

Composition, Attendance & Meetings

As on March 31, 2021, the Board comprises of seven (7) directors including one Executive Chairman and one Executive Vice Chairman. The majority of Directors (4) are independent. There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner and the composition of the Board at end of FY 2020-21 is in conformity with Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 read with Regulation 17A of SEBI LODR. None of the Independent Directors serve as Independent Director in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in a listed Company he / she serves as Independent Director in not more than three (3) listed Companies. 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 Directors periodically notify the Company about changes in the Directorship(s) / Committee position(s) as and when they take place.

During the FY 2020-21, the Board met six (6) times on June 24, 2020, August 14, 2020, November 11, 2020, December 17, 2020, February 09, 2021 and March 24, 2021 and requisite quorum was present throughout these meetings. The Company facilitates the participation of the Directors in Board / Committee meetings through video-conferencing or other audio visual mode, on matters other than those restricted as per applicable laws for the time being in force. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee member / Chairman position(s) held by them in other public companies as on March 31, 2021 are given below:

Name of the Director /(DIN)	Category	No. of Board Meetings attended	Attendance at the last AGM (August 14, 2020)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Lakshman Lakshminarayan** (00012554)	Chairman Emeritus, Non-Executive & Promoter	4	Yes	-	4	2	4
Mr. Ganesh Lakshminarayan (00012583)	Chairman, Managing Director & Promoter	6	Yes	3	6	-	5
Mr. Harish Lakshman (00012602)	Vice Chairman, Joint Managing Director & Promoter	6	Yes	1	5	1	2

Name of the Director /(DIN)	Category	No. of Board Meetings attended	Attendance at the last AGM (August 14, 2020)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Dr. (Mr.) V Sumantran (02153989)	Non-Executive & Independent	6	Yes	-	2	1	3
Dr. (Ms.) Sheela Bhide (01843547)	Non-Executive & Independent	6	Yes	-	-	-	-
Mr. Rajeev Gupta (00241501)	Non-Executive & Independent	6	Yes	1	4	-	3
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	6	Yes	-	2	1	4

Note:

excludes Directorships held on the Boards of private companies, debt securities listed companies, Section 8 Companies, debt listed companies and Companies incorporated outside India and 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.

** Mr. Lakshman Lakshminarayan (DIN: 00012554), Non-Executive Director, retired as per the retirement policy of the Company, effective from the close of business hours on May 27, 2021.

The details of other Directorship held by the Directors of this Company as on March 31, 2021 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, Non-Executive & Promoter
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
	Sundaram Finance Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane 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
Dr. (Ms.) Sheela Bhide	-	-
Dr. (Mr.) V Sumantran	Interglobe Aviation 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
	T.V. Today Network Limited	Non-Executive & Independent
	United Spirits Limited	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
	Rane (Madras) Limited	Non-Executive & Independent

**retired as per the retirement policy of the Company, effective from the close of business hourson May 27, 2021.*

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

An annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and they were provided with detailed agenda for the meetings to effectively participate in discussions. Post Board meeting reviews were held by the Chairman 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, Directors' performance evaluation and criteria for performance evaluation of Independent Directors are discussed in detail in the Directors Report. In the opinion of Board, the Independent Directors fulfill the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

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

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the Committee members. The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the web-link at 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 allows them to make effective contributions to the Board and committees. The Board ensures and maintains the highest standards of Corporate Governance. The skills, expertise and competencies identified by the Board, in the context of the automotive business in which the Company operates and for it to function effectively, inter-alia, are as follows:

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

**retired as per the retirement policy of the Company, effective from the close of business hours on May 27, 2021.*

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 on June 24, 2020, August 14, 2020, November 11, 2020 and February 09, 2021 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Dr. (Mr.) V Sumantran	Chairman, Non-Executive & Independent	4
Mr. L Ganesh	Member, Executive & Promoter	4
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	4
Mr. Rajeev Gupta	Member, Non-Executive & Independent	4

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

The Statutory Auditor and the Internal Auditor were present as invitees in the meetings. The President – Finance & Group - CFO, Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors also 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 14, 2020.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors 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 Auditor and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

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

A brief terms of reference and roles of the Audit Committee, inter-alia include the following matters:

- Quarterly / Annual financial statements with Statutory Auditor and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism and prohibition of insider trading.
- Evaluation of internal financial controls and risk management systems.
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the Company, as and when required.
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.
- Utilization of loans and/ or advances from/ investment by the Company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Recommends appointment of Auditor and their remuneration and approves the appointment of CFO.
- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditor / Internal Auditor.

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

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

On a quarterly basis, the Audit Committee reviews RPT's entered into by the Company pursuant to each of the omnibus approval. The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliances.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met two (2) times during the year on June 24, 2020 and February 09, 2021 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Dr. (Mr.) V Sumantran	Chairman, Non-Executive & Independent	2
Mr. Pradip Kumar Bishnoi	Member, Non-Executive & Independent	2
Mr. L Lakshman	Member, Non-Executive & Promoter	1

Note:

1. Mr. L Lakshman ceased to be a member w.e.f. the close of business hours on May 27, 2021
2. Dr. (Ms.) Sheela Bhide was inducted as member w.e.f the cconclusion of the Board meeting on May 27, 2021

Overall purpose and terms of reference

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

- To formulate criteria for determining qualifications, positive attributes and Independence of Director for evaluation of performance of Independent Directors and the Board;
- To approve the remuneration policy of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP);
- To devise policy on Board diversity;
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the CEO / Managing 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 and recommended reduction in sitting fees payable to the Non-Executive Directors for the FY 2020-21.
- reviewed the compensation benefits of SMP and KMP of the Company.
- reviewed and recommended the process of Board evaluation, its committees and Directors.
- reviewed and recommended re-instating the sitting fees payable to the Non-Executive Directors for the meetings after March 01, 2021.

Remuneration to Non- Executive Directors

In accordance with the said policy and the approval accorded by members way of a special resolution under 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 profits calculated as per Section 198 of the Companies Act, 2013. Accordingly, for the FY 2020-21 the Company has paid a sum of ₹56 Lakhs, on a monthly basis, as commission to Mr. L Lakshman and ₹56 lakhs as commission to Mr. L Ganesh. The same represents 1.64% and 1.64% of the net profits of the Company for the FY 2020-21, respectively. Also, in accordance with shareholders' approval, an advisory fees of ₹100 Lakhs has been paid to Mr L Lakshman during the FY 2020-21 for the advisory services rendered by him.

Payment of commission and advisory fees to Mr. L Lakshman for the year 2020-21 has been additionally approved by members in terms of Regulation 17(6)(ca) of SEBI LODR Regulations 2015, in view of the same exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

Accordingly, in terms of Regulation 17(6)(ca) of SEBI LODR, annual approval of shareholders was taken at the 84th AGM for payment commission and advisory fees to Mr. L Lakshman, for the FY 2020-21.

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

Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available on the website of the Company at 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, where applicable, 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 (in ₹)
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

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

Details of 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, 2021 are as follows:

Name of the Director	Sitting Fees (in ₹)	Remuneration (in ₹)	Shares held as on March 31, 2021
Mr. L Ganesh	NA	2,42,09,104	12,09,533
Mr. Harish Lakshman	NA	77,55,412	1,24,882
Mr. L Lakshman	-	56,39,600	11,14,745
Dr. (Mr.) V Sumantran	45,000	-	-
Dr. (Ms.) Sheela Bhide	45,000	-	-
Mr. Rajeev Gupta	45,000	-	-
Mr. Pradip Kumar Bishnoi	45,000	-	-

Note:

1. Shareholding includes joint holdings & HUF, if any.
2. No other remuneration except sitting fees was paid to Non-Executive Directors.
3. Remuneration paid to Mr. L Lakshman, Chairman Emeritus and Mr. L Ganesh, Chairman & Managing Director are based on shareholder's approval vide postal ballot results declared on May 16, 2017.
4. The remuneration paid to Mr. L Ganesh comprises of salaries & allowances – ₹1,33,08,829; perquisites – ₹ 53,00,275; and commission & performance linked incentive – ₹56,00,000, based on recommendation of the NRC and approval of the Board of Directors at their respective meetings held on May 27, 2021.
5. The remuneration paid to Mr. L Lakshman comprises of Commission – ₹56,00,000; Perquisites – ₹39,600, but excludes advisory fees of ₹1,00,00,000 paid in for the advisory services rendered by him his professional capacity.
6. Mr. Harish Lakshman, Vice-Chairman & Joint Managing Director receives remuneration in the form of rent free accommodation only, which includes facilities in the nature of telecommunication, gas, electricity, in accordance with provisions of Income Tax Act, 1961. The monetary equivalent of the same is ₹77,55,412 for the FY 2020-21. He does not receive any other remuneration from the Company and receives remuneration from one of the joint venture companies, viz., Rane TRW Steering Systems Private Limited (RTSS). The total remuneration received by him from both the Company and RTSS is within the limits prescribed under the Companies Act, 2013.
7. 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.

8. No shares of the Company were pledged by the Directors. There is no stock option scheme prevailing in the Company.

5. Stakeholders Relationship Committee (SRC)

Composition & Attendance of Meetings

The Stakeholders Relationship Committee looks into grievances of shareholders and redresses them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met three (3) times during the year on August 14, 2020, November 11, 2020 and February 09, 2021 with requisite quorum present throughout these meetings. 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	3
Mr. L Ganesh	Member, Executive & Promoter	3
Dr. (Ms.) Sheela Bhide	Member, Non - Executive & Independent	3

Note:

1. Mr. L Lakshman ceased to be a member & Chairman of the Committee w.e.f. the close of business hours on on May 27, 2021.
2. Dr. (Ms.) Sheela Bhide was designated as Chairman of the Committee w.e.f. the conclusion of Board meeting on May 27, 2021.
3. Mr. Harish Lakshman was inducted as Member of the Committee w.e.f. the conclusion of Board meeting on May 27, 2021.

Overall purpose and terms of reference

The terms of reference and roles of the SRC are in line with provisions of SEBI LODR and Companies Act, 2013 viz., as detailed hereunder:

- 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 Chairman of the SRC was present at the last AGM of the Company held on August 14, 2020 to answer queries of the stakeholders. During the year no complaints were received under the SEBI Complaints Redress System (SCORES) mechanism. During the year there were no Investor complaints received / pending / unresolved at the end of the financial year 2020-21. The SRC at its meeting held on May 27, 2021 also reviewed the Internal Audit report for the FY 2019-20 issued to RTA, in line with the SEBI's Circular dated April 20, 2018.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company. The CSR projects and activities are guided by the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on June 24, 2020. The Company Secretary acts as the Secretary to the Committee. 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
Dr. (Ms.) Sheela Bhide	Member, Non - Executive & Independent	1

Note:

1. Mr. L Lakshman ceased to be a member & Chairman of the Committee w.e.f. the close of business hours on May 27, 2021.
2. Mr. Harish Lakshman was inducted as member w.e.f. the conclusion of Board meeting on May 27, 2021.

3. Mr. L Ganesh was designated as the Chairman of the Committee w.e.f. the conclusion of Board meeting on May 27, 2021.

Overall purpose and terms of reference

The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board. The terms of reference of the Committee are as follows:

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

The report on CSR projects undertaken during the year 2020-21 as approved by the CSR Committee in consultation with the Board is annexed to this report in '**Annexure C**'.

7. Risk Management Committee (RMC)

SEBI vide its circular dated May 05, 2021 has amended Regulation 21 of SEBI LODR Regulations revising the threshold limit for constituting a Risk Management Committee, to top 1000 listed companies based on market capitalization as at the end of the immediate previous year. The Company falls in the top 1000 Companies based on Market Capitalization as on March 31, 2021. The Board at its meeting held on May 27, 2021 has constituted Risk Management Committee and also approved the Risk Management Committee Charter which covers the roles and responsibilities of the Committee with effect from June 01, 2021. The Committee comprises of Mr. L Ganesh (Chairman), Mr. Harish Lakshman, Dr. (Mr.) V Sumantran and Mr. P A Padmanabhan, President - Finance & Group CFO as its members.

Overall purpose and terms of reference

The purpose of the Risk Management Committee is to assist the Board in identifying the internal and external risk associated with the business.

The terms of reference of the Risk Management Committee are as per the regulation 21 of SEBI LODR. In line with these regulations, the Board has approved an Committee Charter. The roles and responsibilities of the Committee are described hereunder:

- To formulate a detailed risk management policy and review the policy once in two years.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.
- The RMC shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board of Directors.
- Power to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

8. Other Committees

Share Transfer Committee

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

Consequent to SEBI's notification dated November 30, 2018, amending the provisions of regulation 40 of

SEBI LODR regarding prohibition of transfer of shares in physical effective from April 1, 2019 and also by the initiatives taken by the Company to reach out to investors holding shares in physical form, there were no transfer of securities in physical form processed during the year except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders), if any.

Finance Committee

A Finance committee comprising of one Non-Executive Director and two Executive Directors, Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members is authorised to approve borrowings as per the delegations made by the Board. During the year one meeting was held to avail ₹65 crores term loan from Axis Finance Ltd. and ₹5 crores working capital loan from HDFC Bank. No sitting fees is payable to the Committee members. The Company Secretary acts as Secretary to the Finance Committee of the Board. Mr. L Lakshman ceased to be a member of the Committee w.e.f the close of business hours on May 27, 2021.

Executive Committee

An Executive Committee comprising of Mr. L Lakshman, Mr. L Ganesh and Mr. Harish Lakshman as its members is authorized to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board. Mr. L Lakshman ceased to be a member of the Committee w.e.f the close of business hours on May 27, 2021. No sitting fees is payable to the Committee members. During the year no meeting was held.

The Company Secretary acts as Secretary to the Executive Committee of the Board.

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. No sitting fees is payable to the Committee members. No meeting was held during the period. The Company Secretary acts as Secretary to the Investment Committee.

9. 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 at the weblink http://ranegroup.com/rhl_investors/code-of-conduct/. The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. A 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 the weblink: http://ranegroup.com/rhl_investors/rhl-code-of-fair-disclosure/.

10. General Body Meetings

Details of last three (3) Annual General Meetings (AGM) are as under:

Date of AGM	Special resolutions passed	Time	Venue / Mode
August 14, 2020 (84th AGM)	1. Approval of the re-appointment of Mr. Ganesh Lakshminarayan as Chairman and Managing Director and his remuneration thereof 2. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the remuneration payable to Mr. L Lakshman, Chairman Emeritus (Non- Executive Directors) exceeding fifty percent of the total remuneration payable to all Non- Executive Directors of the Company 3. Approval under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended from time to time, the remuneration payable to Mr. L Ganesh, Chairman & Managing Director and Mr. Harish Lakshman, Vice-Chairman & Joint Managing Directors, being Promoter Executive Directors	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC/ OAVM)

Date of AGM	Special resolutions passed	Time	Venue / Mode
August 08, 2019 (83rd AGM)	1. Reappointment of Dr. (Mr.) V Sumantran as an Independent Director for a second term 2. Approval of the appointment and remunerations of Mr. Harish Lakshman as Joint managing Director in the designation as Vice Chairman 3. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the remuneration payable to Mr. L Lakshman, Chairman Emeritus (Non- Executive Directors) exceeding fifty percent of the total remuneration payable to all Non- Executive Directors of the Company 4. Approval under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended from time to time, the remuneration payable to Mr. L Ganesh, Chairman & Managing Director and Mr. Harish Lakshman, Vice-Chairman, being Promoter Executive Directors	10:15 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014
August 02, 2018 (82nd AGM)	1. Re-appointment of Dr. (Ms.) Sheela Bhide as an Independent Director for a second term 2. Approval of transactions under Section 185 of the Companies Act, 2013	10:15 hrs	

No resolution was passed through postal ballot or Extra-Ordinary General Meeting during the financial year 2020-21.

11. Disclosures

i. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except as disclosed in **'Annexure D'** to the report of the Board of Directors. The details of transactions in the nature of loans, advances and investments in subsidiary companies is available in the notes to the financial statements. The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons/ entities belonging to promoter / promoter group as per Ind AS as stated in Note 37 of the financial statements. The policy on related party transaction is available on the website of the Company at the web-link http://ranegroup.com/rhl_investors/policy-on-related-party-transactions/.

ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.

iii. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.

iv. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.

v. The Company has complied with the following non-mandatory requirements prescribed under Part – E of Schedule II, Chapter IV of the SEBI LODR:

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

   b. adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion.

   c. internal auditor directly reporting to the Audit Committee.

vi. 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.

vii. The Company has a material subsidiary in terms of SEBI LODR. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website at the weblink http://ranegroup.com/rhl_investors/rhl-policy-on-material-subsidiaries/.

viii. The Company has obtained Certificate from a Company Secretary in Practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached as an Annexure to the Corporate Governance report.

ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule – IV of the Companies Act, 2013 and Regulations 16 and 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.

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

xi. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.

xii. The Managing Director and CFO of the Company have certified to the Board on the integrity of the financial results / statements, effectiveness of internal controls and significant changes in internal control / accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.

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

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

xv. 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 hereunder:

(₹ in Crores)

Name of the entity	Paid by the Company	Paid by the Subsidiaries	Paid by the Company	Paid by the Subsidiaries
	FY 2020-21		FY 2019-20*	
BSR & Co., Chartered Accountants	0.16	0.27	-	-
Network entities and firms of BSR & Co. (if any)	-	-	-	-
M/s. Deloitte Haskins and Sells, Chartered Accountants*	0.03	0.16	0.20	0.46
Network entities and firms of DHS & Co. (if any)	-	-	0.12	0.34
Total	**0.19**	**0.43**	**0.32**	**0.80**

* M/s. Deloitte Haskins and Sells, Chartered Accountants (DHS) retired as Auditors on August 14, 2020.

xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement, hence, the details of utilization of funds does not arise.

xvii. The Board of Directors at their meeting held on May 27, 2021 has formulated a Dividend Distribution Policy and the same is available on the website of the Company weblink: https://ranegroup.com/rhl_investors/dividend-distribution-policy/.

xviii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

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

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

13. Whistle blower mechanism

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

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

14. Means of communication

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

During the year, press release and presentations that were made to analysts / institutional investors were also made available on the website of the Company.

The Company has not printed physical copies of annual report for distribution in view of exemption available vide circular(s) dated September 28, 2020, May 5, 2020, April 13, 2020 and April 08, 2020 issued by the Ministry of Corporate Affairs ("MCA") (collectively referred to as "MCA Circulars") and read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 issued by Securities Exchange Board of India ("SEBI") (collectively referred to as "SEBI Circulars"). The full Annual Report was made available on the website of the Company and also disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 85th AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

15. General Shareholder Information

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

Name of the Director	Mr. Ganesh Lakshminarayan
Father's Name	Mr. L L Narayan
Director Identification Number (DIN)	00012583
Age (in years)	67
Date of Birth	March 18, 1954
Educational Qualifications	B. Com., ACA, MBA
Experience	Mr. L Ganesh is a Chartered Accountant and also holds an MBA from the Pennsylvania State University, USA. He has over 45 years of industrial experience and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an honorary consul for New Zealand in South India.
Date of first appointment on the Board	August 01, 2009
Terms and Conditions of appointment	Re-appointment as a Director, liable to retire by rotation.
Last drawn remuneration	₹2,42,09,104
Remuneration sought to be paid	No approval is being sought for payment of remuneration.
Relationship with other Directors / Manager / KMP	Brother of Mr. L Lakshman, Chairman Emeritus
Other Directorships	**Chairman** Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited Chennai Willingdon Corporate Foundation Chennai Heritage Foundation **Independent Director** EIH Limited EIH Associated Hotels Limited Sundaram Finance Limited

Name of the Director	Mr. Ganesh Lakshminarayan
Committee Memberships in other Boards	**Member – Audit Committee** Rane Brake Lining Limited EIH Associated Hotels Limited EIH Limited **Chairman- Audit Committee** Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited **Member – Stakeholders Relationship Committee** Rane Engine Valve Limited Rane Brake Lining Limited **Member – Nomination and Remuneration Committee** Rane (Madras) Limited Rane Brake Lining Limited **Chairman- Nomination and Remuneration Committee** EIH Limited **Member –Corporate Social Responsibility Committee** Rane Brake Lining Limited Rane Engine Valve Limited Rane (Madras) Limited Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited **Member - Risk Management Committee** EIH Limited
Number of meetings of the Board attended during the year	Six (6)
Number of equity shares held (including joint shareholding & HUF, if any)*	12,09,533

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

ii. Annual General Meeting

August 06, 2021 (Friday) at 15:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

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

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements for the year ended March 31, 2021	May 27, 2021
Un-audited financial results for the 1st quarter ending June 30, 2021	By First week of August 2021
Un-audited financial results for the 2nd quarter ending September 30, 2021	By first week of November 2021
Un-audited financial results for the 3rd quarter ending December 31, 2021	By first week of February 2022

(both standalone and consolidated financial statements and financial results)

The above dates are only tentative in nature and may undergo changes based on the legal / administrative requirements

iv. Dividend

No dividend has been declared for FY 2020-21.

v. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor,Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	RANEHOLDIN
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	505800

Listing Fee

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2021 - 22 to NSE & BSE where the shares of the Company continues to be listed. The shares of the Company were not suspended from trading during the FY 2020-21.

vi. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2014 and thereafter which remain unclaimed for a period of seven years, 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 ₹4,15,274/- for the financial year ended March 31, 2013 to IEPF on September 18, 2020. 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# (in ₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2021) (in ₹)^	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2014	12.08.2014	6.50	5,40,780.50	17.09.2021	17.10.2021
31.03.2015	12.08.2015	7.50	6,78,720.00	17.09.2022	17.10.2022
31.03.2016	10.03.2016	10.00	8,52,690.00	15.04.2023	15.05.2023
31.03.2017*	09.02.2017	3.50	3,63,489.50	17.03.2024	16.04.2024
31.03.2017	31.08.2017	5.00	4,71,405.00	06.10.2024	05.11.2024
31.03.2018*	06.02.2018	5.50	3,21,783.00	14.03.2025	12.04.2025
31.03.2018	02.08.2018	9.00	5,25,096.00	07.09.2025	07.10.2025
31.03.2019	07.02.2019	8.00	3,83,840.00	15.03.2026	14.04.2026
31.03.2019	27.05.2019	11.00	5,31,729.00	02.07.2026	01.08.2026
31.03.2020*	06.02.2020	4.00	3,17,704.00	14.03.2027	13.04.2027
31.03.2020	24.06.2020	4.00	2,17,468.00	20.09.2027	19.10.2027

share of paid-up value of ₹10/- per share
* Interim dividend
^ amounts reflect confirmation of balance issued by Banks

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

vii. Transfer of shares to IEPF Authority

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

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2012-13 (Final)	1,462
2012-13 (Interim)	1,648

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's web-link at https://ranegroup.com/wp-content/uploads/2019/11/rhliepf2agm19.pdf. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also are received by the IEPF Authority unless those shares are claimed by the shareholders.

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

viii. Unclaimed share suspense

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

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	254	37,306
Requests for transfer during the year	9	539
Transfers to IEPF during the year	9	539
Balance at the end of the year	245	36,767

ix. Share Price Data

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. 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 01, 2020 – March 31, 2021 is given below:

Month	BSE Share Prices (in ₹)		BSE Sensex		NSE Share Prices (in ₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2020	440.00	310.00	33,887.25	27,500.79	428.00	312.00	9,889.05	8,055.80
May 2020	400.00	328.00	32,845.48	29,968.45	394.95	335.00	9,598.85	8,806.75
June 2020	527.50	354.40	35,706.55	32,348.10	531.00	342.60	10,553.15	9,544.35
July 2020	490.00	415.05	38,617.03	34,927.20	489.90	416.60	11,341.40	10,299.60
August 2020	560.00	401.00	40,010.17	36,911.23	558.00	410.40	11,794.25	10,882.25
September 2020	533.65	407.65	39,359.51	36,495.98	533.00	408.40	11,618.10	10,790.20
October 2020	474.00	394.60	41,048.05	38,410.20	474.80	395.00	12,025.45	11,347.05
November 2020	495.00	392.05	44,825.37	39,334.92	495.85	391.05	13,145.85	11,557.40
December 2020	684.50	465.95	47,896.97	44,118.10	684.40	452.25	14,024.85	12,962.80
January 2021	698.90	583.00	50,184.01	46,160.46	698.95	582.00	14,753.55	13,596.75
February 2021	694.90	580.00	52,516.76	46,433.65	696.00	580.00	15,431.75	13,661.75
March 2021	712.75	556.55	51,821.84	48,236.35	712.55	556.65	15,336.30	14,264.40

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

x. Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited
SEBI Registration No. INR000000544
II Floor, 'Kences Towers', No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017
Phone : 28140801 – 03, Fax : 28142479, 28143378
Email ID: corpserv@integratedindia.in
Website : www.integratedindia.in

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

xi. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA. The Share transfers and transmissions are approved and registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

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

xii. Distribution of shareholding as on March 31, 2021

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	11,904	92.00	8,85,037	6.20
501 - 1000	451	3.49	3,37,326	2.36
1001 - 2000	220	1.70	3,29,388	2.31
2001 - 3000	107	0.83	2,68,782	1.88
3001 - 4000	41	0.32	1,45,692	1.02
4001 - 5000	33	0.26	1,51,771	1.06
5001 - 10000	76	0.59	5,45,313	3.82
10001 & above	107	0.83	1,16,14,500	81.35
Total	12,939	100.00	1,42,77,809	100.00

xiii. Shares

Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As on March 31, 2021, about 98.88% of the shareholdings has been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares - As on		% to total capital - As on	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Physical	1,60,113	1,75,289	1.12	1.23
Demat	1,41,17,696	1,41,02,520	98.88	98.77
Total	1,42,77,809	1,42,77,809	100.00	100.00

A reconciliation of share capital audited by Practicing Company Secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed. The Company has taken initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: INE384A01010

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

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 1, 2019 (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.

xiv. Credit Rating

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

Rating Agency	Security - Type	(₹ in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of Credit Rating
ICRA Limited	Long term	99.86	AA-	Stable	Re-affirmed	24-12-2020
	Long term	0.14	AA-	Stable	Re-affirmed	
	Short term		A1+	-		
ICRA Limited	Long term	50.00	AA-	Stable	Re-affirmed	26-11-2020
	Long term	50.00	AA-	Stable	Assigned	
	Short term		A1+	-		

xv. Address for communication:

The Compliance officer
Rane Holdings Limited
Rane Corporate Centre,
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
Phone: 28112472
e-mail ID: investorservices@ranegroup.com

OR

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

Annexure (i)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

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

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Lakshman Lakshminarayan	Chairman Emeritus, Non-Executive, Promoter	00012554
2.	Ganesh Lakshminarayan	Chairman, Executive, Promoter	00012583
3.	Harish Lakshman	Vice Chairman, Executive, Promoter	00012602
4.	Sheela Bhide	Non-Executive, Independent	01843547
5.	Venkataramani Sumantran	Non-Executive, Independent	02153989
6.	Rajeev Gupta	Non-Executive, Independent	00241501
7.	Pradip Kumar Bishnoi	Non-Executive, Independent	00732640

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

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

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

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

K Sriram
Partner
Membership No.: **F6312**
Certificate of Practice No.: **2215**
UDIN: **F006312C000377573**

Place: Chennai
Date : May 27, 2021

Annexure (ii)

To
The Members,
Rane Holdings Limited

Declaration by Managing Director 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, 2021.

Ganesh Lakshminarayan
Chairman & Managing Director
DIN: 00012583

Chennai
May 27, 2021

Annexure (iii)

Certificate of Compliance with the Corporate Governance

Independent Auditor's Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members
Rane Holdings Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated November 13, 2020.

2. We have examined the compliance of conditions of corporate governance by **Rane Holdings Limited** ('the Company') for the year ended March 31, 2021 as stipulated in regulations 17 to 27, clause (b) to (i) of regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ('Listing Regulations') pursuant to the Listing Agreement of the Company with the Stock Exchanges.

Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

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

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2021.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note 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. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-00022

S Sethuraman
Partner
Membership No.: **203491**
UDIN No.: **21203491AAAADJ1168**

Place: Chennai
Date : May 27, 2021

Annexure F to the Report of the Board of Directors

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI LODR Regulations, 2015]

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 2020-21
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):	Rane Holdings Limited, 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 Rane 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:	The total number of locations where business activities undertaken by the Company – 29 nos.
	a) Number of International Locations	a) International locations – 4 nos.
	b) Number of National Locations	b) National locations - 25 nos.
10.	Markets served by the Company - Local / State / National / International	All

Section B: Financial details of the Company

1. Paid-up Capital: **₹14,27,78,090/-**
2. Total Turnover: **₹65,98,77,757/-**
3. Total profit after taxes: **₹1,35,52,652/-**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **81%**
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, viz., 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 detail 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 foreign 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. However, the listed subsidiary companies in addition have their own BR initiatives.

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. The other entities with which the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

Section D: BR information

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

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

DIN	Name	Designation
00012583	Mr. Ganesh Lakshminarayan	Chairman and Managing Director

b) Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN	00012583
2.	Name	Mr. 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? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
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									
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					Not applicable				
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 Sustainability report is internally reviewed on half yearly basis and the BR performance report is reviewed by the Board on an annual basis.

(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 BR Report is published as part of this annual report and the same is available on the Company's website at www.ranegroup.com.

Section E: Principle wise performance

Principle 1: Business Ethics [Businesses should conduct and govern themselves with ethics, transparency and accountability]

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) applies across the Group to its employees and Directors and also extends to our suppliers and partners. Rane Compass complies with all the statutory and legal requirements of the applicable laws and regulations including anti bribery and anti-corruption laws.

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 2020-21, the Company has not received any complaints from investors. There are no investor complaints pending unresolved at the end of the financial year. The Stakeholders Relationship Committee (SRC) oversees the complaints and their resolution.

Principle 2: Product Responsibility [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

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 the 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.

   - Environment Friendly (EF) Grade - Copper Free Passenger car Brake Pad developed - A & B Segment Cars.
   - Light weighting of Steering Products.
   - Enhanced fuel efficiency using 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?

   The Rane 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.

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

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

   - Copper free brake pads provide environment friendly products to the customer.
   - Light weighting is done on a 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)? 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 Rane Group Companies have an environment policy and safety policy in place. Rane Group Companies 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? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

   The Rane Group Companies have 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 non-deployment 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 reuse 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: Well being of Employees [Businesses should promote the wellbeing of all employees]

1. Total number of employees: 91
2. Total number of employees hired on temporary/contractual/casual basis: 54
3. Number of permanent women employees: 20
4. Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: Not applicable.
6. What percentage of your permanent employees are members of this recognized 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.

Sl. 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	
2.	Sexual harassment		
3.	Discriminatory employment		

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 - NA

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

Principle 4: Stakeholder engagement [Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised]

1. Has the Company mapped its internal and external stakeholders? Yes/No: Yes.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized 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 [Businesses should respect and promote 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 2020-21, 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 [Businesses should respect, protect, and make efforts to restore the environment]

1. Does the policy relate 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 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 footprints 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.

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 projects, mainly through energy saving projects, water saving, waste reduction & 2 subscript 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 have 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.

   The Company has not received any show cause / legal notices from CPCB / SPCB as on the end of Financial Year.

Principle 7: Public Policy [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]

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? Y/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 [Businesses should support inclusive growth and equitable development]

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? Y/N. If Yes, details thereof.

   Yes. The Rane Group of Companies primarily channelize their CSR initiatives through Rane Foundation. Through Rane Foundation the Company has established Rane Polytechnic at Trichy. The institution offers quality technical education and sustainable development to the rural youth. Rane Foundation is also setting up

Rane Vidyalaya at Trichy. The school aims to provide a 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 organization?

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

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

   No formal impact assessment was carried out. However, Rane group Companies have financially supported the various CSR initiatives of Rane Foundation. The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its tenth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019–20. The impact of the initiative is visible as over the last four batches, 1,283 students have completed their diploma program. In the current year, 242 students completed their diploma program. Over 93% of the students were campus placed. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

   Rane Foundation is embarking on its next major project, a school 'Rane Vidyalaya' in Trichy. The school is to provide quality education to children in rural neighbourhood. The institution aims to provide a conducive learning environment to children, develop well-qualified teachers and support staff, for continuous improvement, and recognize the diversity of talent amongst children by promoting extra-curricular activities. The school is located in Theerampalayam, Manachanallur Taluk, and Trichy, will offer nursery and primary education to start with, and shall gradually scale to offer up to higher secondary education in due course of time. 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 the Central Board of Secondary Education (CBSE). In 2020-21, it reached a student strength of 380 in its third year of operations, operating from LKG to VI standard proving the need for a quality school in rural areas. The school was quick on its feet to start online classes from April 2020, through various means such as Zoom, Google Classrooms and Meet, Apps for Mathematics and English, dedicated YouTube channels etc. This was well received by the parents and students who were swift to adapt to the new modes of teaching.

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 on CSR activities of the annual report for further details.

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 further details.

Principle 9: Customer Relations [Businesses should engage with and provide value to their customers and consumers in a responsible manner]

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 countermeasures are presented to customers and implemented and effectiveness is monitored. As at the end of the financial year, there were no pending customer complaints.

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

   Not applicable, since RHL is the Holding Company and its primary activities are investing into Group Companies. However, the Group Companies' products are predominantly supplied to OEM's as per their requirements. The Group Company displays product requirements on packaging as per the requirements of OEM's 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 at the end of the financial year. If so, provide details thereof, in about 50 words or so.

   No such case was pending at the end of the FY20-21.

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

INDEPENDENT AUDITORS' REPORT

To the Members of Rane Holdings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rane Holdings Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Emphasis of matter

We draw attention to Note 2.3.3 of the standalone financial statements, which describes the economic and social consequences / disruption as a result of COVID-19 which impact matters relating to supply chain and customer demand of the subsidiaries and joint ventures, personnel available for work, being able to access offices etc.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Impairment of investment in subsidiary - Rane T4u Private Limited Refer note 6 to the standalone financial statements. The Company has an investment in subsidiary, Rane t4u Private Limited amounting to ₹2,912 lakhs (gross) as at March 31, 2021. The Company records the investment at cost less accumulated impairment losses. If triggers for an impairment exists, the recoverable value of the investment is estimated in order to determine the extent of the impairment loss, if any. Due to significant losses incurred by the subsidiary, there is a risk that the carrying value of the investment is higher than its recoverable value as at the year end, thereby triggering impairment. Consequently, the Company carried out an impairment assessment and recognized an impairment loss of ₹1,557 lakhs during the year ended March 31, 2021. The determination of the recoverable value of investments, which is based on the fair value less cost to sell, involves significant judgements and estimates including determination of comparable companies and transactions, implied market multiples and projected revenue. We have identified the assessment of impairment as a key audit matter since it involves significant judgement in making the above estimates especially in view of the highly uncertain economic environment and hence the actual results may differ from those estimated at the date of approval of these financial statements.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of accounting policy for impairment as per relevant accounting standard. • Assessed the design and implementation of key internal financial controls with respect to impairment of investment in its subsidiary and tested the operating effectiveness of such controls. • Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the recoverable value of the investment in its subsidiary. • Evaluated the objectivity, independence and competence of the valuation specialist engaged by Company. • Evaluated the appropriateness of the key assumptions used in estimating the recoverable value such as comparable companies and transactions, implied market multiples and projected revenue used in the fair value less cost to sell model. This evaluation was based on our knowledge of the Company, its subsidiary and the industry, and observable market data, past performances, consistency with the Board approved plans and inquiries of the auditors of the subsidiary. • Performed sensitivity analysis of the key assumptions used in the impairment assessment. • Assessed the adequacy of the disclosures relating to impairment of investment in its subsidiary in the standalone financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises of reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the financial statements and our auditors' report thereon) which we obtained prior to the date of this Auditor's Report and the remaining sections of Annual report, which are expected to be made available to us after that date.

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

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

When we read the remaining sections of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 with reference to financial statements 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 in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors 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.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 Matter

The standalone financial statements of the Company for the year ended March 31, 2020, were audited by the predecessor auditors who had expressed an unmodified opinion on those standalone financial statements dated June 24, 2020.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

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

   i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

   (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491
UDIN: 21203491AAAADH1381

Place: Chennai
Date: May 27, 2021

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

to the members of Rane Holdings Limited for the year ended March 31, 2021 (referred to in our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets / property, plant and equipment.

(b) The Company has a programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified once in two years. Pursuant to such programme, no portion of property, plant and equipment was required to be physically verified by the management during the year .

(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.

In respect of certain immovable properties of land and buildings whose title deeds have been pledged with banks / financial institutions as security for term loans, our reporting under this clause is based on confirmations received from such banks that the immovable properties are held in the name of the Company.

(ii) The Company does not have inventory and hence paragraph 3(ii) of the Order is not applicable.

(iii) In our opinion and according to the information and explanations to us, the Company has granted unsecured loans to one Company covered in the register maintained under Section 189 of the Act, in respect of which:

a) The rate of interest and other terms and conditions on which the loans had been granted, were not, prima facie, prejudicial to the interest of the Company.

b) The schedule of repayment of principal and payment of interest has been stipulated for the loan granted. However, as per the terms of the loan, the repayment of loan and interest does not fall during the year under audit and accordingly, the reporting under this clause as to whether the borrower has been regular in payment of interest and principal is not applicable.

c) There are no overdue amounts, in respect of the loan granted to the Company covered under the register maintained under section 189 of the Act.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments and guarantees given. As explained, the Company has not given any security as at March 31, 2021.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable.

(vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act in respect of any of the activities of the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales-tax, service tax, duty of excise, value added tax and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and service tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the dues of income tax and duty of customs which have not been deposited with the appropriate authorities on account of disputes are as under –

Name of statute	Nature of the dues	Disputed Amount (₹ lakhs)	Amount unpaid (₹ lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	96	35	AY 2005-06, AY 2008-09	Assessing Officer
Income Tax Act, 1961	Income tax	50	50	AY 2015-16	ITAT
Income Tax Act, 1961	Income tax	92	92	AY 2017-18, AY 2018-19	CIT(A)
Customs Act, 1962	Customs duty	6	6	AY 2012-13	CESTAT

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or financial institutions. The Company has not taken any loans or borrowings from government and have not issued any debentures.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. According to information and explanations given to us, money raised through term loans during the year has been utilised for the purpose for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration for the year ended March 31, 2021 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act and rules framed thereunder.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of section 188 and 177 of the Act, where applicable and the details of the such transactions have been disclosed in the standalone financial statements as required by the Indian Accounting Standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According on the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491
UDIN: 21203491AAAADH1381

Place: Chennai
Date: May 27, 2021

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

on the standalone financial statements of Rane Holdings Limited for the year ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Rane Holdings Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 Standalone financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to Standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491
UDIN: 21203491AAAADH1381

Place: Chennai
Date: May 27, 2021

STANDALONE BALANCE SHEET

AS AT 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
a. Property, plant and equipment	3	10,180	10,231
b. Capital work-in-progress	3	-	7
c. Right-of-use assets	4	146	230
d. Other intangible assets	5	23	26
e. Financial assets			
i. Investments	6	43,130	36,900
ii. Other financial assets	7	4	7
f. Income tax assets (net)	8	398	915
g. Other non-current assets	9	3	6
Total non-current assets		53,884	48,322
Current assets			
a. Financial assets			
i. Investments	11	273	416
ii. Trade receivables	12	1,166	938
iii. Cash and cash equivalents	13.a	38	118
iv. Bank balances other than (iii) above	13.b	52	52
v. Loans	14	301	3
vi. Other financial assets	7	8	5
b. Other current assets	15	462	382
Total current assets		2,300	1,914
TOTAL ASSETS		56,184	50,236
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	16	1,428	1,428
b. Other equity	17	45,428	44,524
Total equity		46,856	45,952
Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	18	6,610	2,033
ii. Other financial liabilities	19	76	149
b. Provisions	21	100	153
c. Deferred tax liabilities (net)	10	496	6
Total non-current liabilities		7,282	2,341
Current liabilities			
a. Financial liabilities			
i. Trade payables	20		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		217	104
ii. Other financial liabilities	19	1,360	1,674
b. Other current liabilities	23	175	121
c. Provisions	21	44	44
d. Current tax liabilities (net)	22	250	-
Total current liabilities		2,046	1,943
Total liabilities		9,328	4,284
TOTAL EQUITY AND LIABILITIES		56,184	50,236

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

S.No	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	24	6,508	9,731
II	Other income	25	91	47
III	Total income (I+II)		6,599	9,778
IV	Expenses:			
	Employee benefits expense	26	1,309	1,512
	Finance costs	27	309	217
	Depreciation and amortisation expense	28	306	321
	Other expenses	29	1,620	2,024
	Total expenses (IV)		3,544	4,074
V	Profit before exceptional items and tax (III-IV)		3,055	5,704
VI	Exceptional items	6.2	(1,557)	-
VII	Profit before tax (V + VI)		1,498	5,704
VIII	Tax expense:	30		
	(1) Current tax		589	619
.	(2) Current tax for earlier years		771	-
	(3) Deferred tax		2	3
	Total tax expense (VIII)		1,362	622
IX	Profit for the year (VII - VIII)		136	5,082
X	Other comprehensive income			
	i) Items that will not be reclassified to profit or loss			
	a) Re-measurement gains/(losses) on defined benefit plans		66	(55)
	b) Net gain/(loss) on FVOCI equity instruments		1,809	391
	c) Income tax relating to items that will not be reclassified to profit or loss		(536)	(53)
	Total other comprehensive income (net of tax) (X)		1,339	283
XI	Total comprehensive income for the year (IX+X)		1,475	5,365
XII	Earnings per equity share	34		
	(a) Basic (In ₹)		0.95	35.59
	(b) Diluted (In ₹)		0.95	35.59

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2019	**1,428**
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**1,428**
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1,428

B. Other equity

Particulars	Reserves and Surplus				Item of OCI	Total Other Equity
	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings	Equity instrument through OCI	
Balance as at 1 April 2019	**550**	**4,433**	**27,721**	**8,895**	**74**	**41,673**
Total comprehensive income for the year ended 31 March 2020						
Profit for the year	-	-	-	5,082	-	5,082
Other comprehensive income for the year (net of tax)	-	-	-	(55)	338	283
Total comprehensive income	**-**	**-**	**-**	**5,027**	**338**	**5,365**
Distributions to owners						
Payment of dividends (including tax on dividend)	-	-	-	(2,514)	-	(2,514)
Transferred to general reserve	-	-	3,805	(3,805)	-	-
Balance as at 31 March 2020	**550**	**4,433**	**31,526**	**7,603**	**412**	**44,524**
Balance as at 1 April 2020	**550**	**4,433**	**31,526**	**7,603**	**412**	**44,524**
Total comprehensive income for the year ended 31 March 2021						
Profit for the year	-	-	-	136	-	136
Other comprehensive income for the year (net of tax)	-	-	-	49	1,290	1,339
Total comprehensive income	-	-	-	185	1,290	1,475
Distributions to owners						
Payment of dividends	-	-	-	(571)	-	(571)
Balance as at 31 March 2021	550	4,433	31,526	7,217	1,702	45,428

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Cash flows from operating activities		
Profit for the year	136	5,082
Adjustments for:		
Income tax expense recognised in profit & loss	1,362	622
Depreciation and amortisation	306	321
Net (gain)/loss on disposal of property, plant and equipment	1	-
Finance costs	309	217
Gain on current investments mandatorily measured at FVTPL	(14)	(46)
Interest income	(5)	-
Income relating to financial guarantees	(30)	-
Impairment of investment	1,557	-
Movements in working capital:		
(Increase) / decrease in trade receivables	(229)	241
(Increase) / decrease in other assets	(75)	(168)
Increase / (decrease) in trade payables	113	(101)
Increase / (decrease) in provisions	(54)	27
Increase / (decrease) in other liabilities	8	6
Cash generated from operations	3,385	6,201
Income taxes paid	(641)	(753)
Net cash generated from operations	2,744	5,448
Cash flows from investing activities		
Loan given to subsidiary	(300)	-
(Payment towards purchase) / Proceeds from sale of current investments (net)	157	(261)
Gain on current investments mandatorily measured at FVTPL	-	46
Payment towards purchase of property, plant and equipment & intangible assets	(155)	(885)
Proceeds from disposal of property, plant and equipment	1	-
Payment towards purchase of non-current investments	(6,179)	(2,917)
Proceeds from sale of non-current investments	232	-
Interest received	2	-
Net cash used in investing activities	(6,242)	(4,017)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,658	2,445
Repayment of long-term borrowings	(1,264)	(1,045)
Payment of dividends (including tax on dividend)	(571)	(2,514)
Interest paid	(311)	(223)
Payment of lease liabilities	(94)	-
Net cash from / (used in) financing activities	3,418	(1,337)
Net increase / (decrease) in cash and cash equivalents	(80)	94
Cash and cash equivalents at the beginning of the year	118	24
Cash and cash equivalents at the end of the year (refer note 13 a.)	38	118

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts are in INR lakhs unless otherwise stated)

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

2 Significant accounting policies

1. Statement of compliance and basis of preparation

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset) / liability	Present value of defined benefit obligations less fair value of plan assets
Certain investments	Fair value

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Use of estimates and Judgements

The preparation of the standalone financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, 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, judgement 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.

3.1 Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the standalone financial statements is included in the following notes;

- Note 6 - Impairment testing for investments

3.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows;

3.2.1 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. Further details are given in note 38.

3.2.2 Impairment of investments

The Company tests whether any of its investments have suffered any impairment on an annual basis. The

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

recoverable value of the investment is determined based on fair value less cost to sell which require the use of assumptions. Refer note 6.

3.2.3 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantively enacted. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. 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 expected outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available. Further details are given in note 10, 30 and 32.

3.2.4 Defined benefit plans

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 and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 33.

3.3 Estimation of uncertainties relating to the global health pandemic from COVID-19

COVID-19 pandemic has rapidly spread throughout the world, including India. Governments have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions on activities. Consequently, the Company's offices had to be closed down / operate under restrictions for a period of time during the year. These measures have an impact on matters relating to supply chain and customer demand of the subsidiaries and joint ventures, personnel available for work, being able to access offices etc.

The Company has considered the possible effects that may result from the continued effect of the pandemic on the carrying amounts of assets (net of impairment losses), capital and financial resources, profitability, liquidity position, internal financial controls etc. In developing the assumptions relating to the possible future uncertainties, the Company, as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements dependent on circumstances that evolve in the future. The Company will continue to closely monitor any material changes to future economic conditions.

4. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

5. Financial Instruments

i. Initial recognition

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables and contract asset) or financial liability is initially measured at fair

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

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value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Trade receivables and contract assets are measured at transaction price as per Ind AS 115.

ii. **Classification and subsequent measurement**

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through OCI – debt investment;
- Fair value through OCI – equity investment; or
- Fair value through profit and loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

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Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6. Property, plant and equipment

Items of property, plant and equipment are carried at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses, if any. The cost 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 is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

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Capital work-in-progress: Assets which are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest (in case of qualifying assets).

Depreciation on property, plant and equipment has been provided on the straight-line method on the basis of estimated useful life determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The useful lives of the assets are as below:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	30 years
Plant and machinery	15 years	15 years
Vehicles	5 years	8 years
Furniture and fixtures	5 years	10 years
Office equipment (including computers)	3 years	8 years and 3 to 6 years (for computers)

Freehold land is not depreciated.

Depreciation method, useful lives and residual values are reviewed at the end of each financial year.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

7. 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 is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss 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.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets which comprise of Software licence has a useful life of 5 years.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

8. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition

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and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment 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.

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 (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

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.

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.

9. 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 statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company 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. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

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10. Leases

The Company's lease asset classes primarily consist of leases for IT Assets and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the company has the right to direct the use of the asset.

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

11. 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.

12. Cash flow statement

Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) 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.

13. Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. 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 are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

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- equity investments at fair value through OCI (FVOCI);
- qualifying cash flow hedges to the extent that the hedges are effective.

14. Revenue recognition

The Company derives revenues primarily from rendering 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 recognized upon transfer of control of promised services to customers (i.e. upon rendering of services) at an amount that reflects the consideration that the Company expects to receive in exchange for those services.

Dividend Income

Dividend income is accounted 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).

Other income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

15. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Superannuation fund

This is a defined contribution plan, where a portion of the eligible employees' salary, as per the choice exercised by the respective employees, is contributed towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). There are no further obligations for future superannuation benefits other than the annual contributions which is recognized as expense as and when due.

Defined benefit plans

Gratuity

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

Other Long term employee benefits

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

16. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and

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loss account. As at the balance sheet date, an asset / liability is recognized for the difference between the amount spent and the amount required to be spent as per the provisions of the Act.

17. 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 Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

18. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

19. Financial and Corporate guarantee contracts

A financial 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 guarantee contracts issued by the Company are initially measured at their fair values are subsequently measured at the higher of:

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- 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 115.

20. Earnings per share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional 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 exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the additional 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.

21. Investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures are measured at cost less accumulated impairment as per Ind AS 27.

22. Dividend

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

23. 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. Segment reporting information is provided in the consolidated financial statements of the group.

24. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no new standards or amendments to existing standards which are applicable from 1 April 2021. However, MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1 April 2021. The Company is evaluating the impact of such amendments to Schedule III on its financial statements.

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3 Property, plant and equipment & capital work-in-progress

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amounts of:		
a. Freehold land	7,942	7,942
b. Buildings	1,761	1,825
c. Plant and machinery	134	152
d. Furniture and fixtures	180	218
e.Office equipments	84	77
f. Vehicles	79	17
	10,180	10,231
Capital work-in-progress	-	7

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
Balance as at 1 April 2019	7,942	819	63	86	85	58	9,053
Additions	-	1,197	136	241	77	-	1,651
Disposals	-	-	-	(14)	-	-	(14)
Balance as at 31 March 2020	7,942	2,016	199	313	162	58	10,690
Additions	-	18	2	12	46	74	152
Disposals	-	-	(3)	-	(2)	-	(5)
Balance as at 31 March 2021	7,942	2,034	198	325	206	132	10,837
Accumulated depreciation and impairment							
Balance as at 1 April 2019	-	126	35	78	56	29	324
Depreciation expense	-	65	12	31	29	12	149
Disposals	-	-	-	(14)	-	-	(14)
Balance as at 31 March 2020	-	191	47	95	85	41	459
Depreciation expense	-	82	18	50	39	12	201
Disposals	-	-	(1)	-	(2)	-	(3)
Balance as at 31 March 2021	-	273	64	145	122	53	657
Net carrying amount							
As at 31 March 2020	7,942	1,825	152	218	77	17	10,231
As at 31 March 2021	7,942	1,761	134	180	84	79	10,180

3.1. Land and buildings aggregating to ₹4,532 lakhs (31 March 2020: ₹3,953 lakhs) are mortgaged against loan availed from Tata Capital Financial Services Limited, Federal Bank Limited & Axis Finance Limited (Refer note 18).

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4 Right-of-use assets

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amounts of:		
Right-of-use assets	146	230
	146	230

Particulars	Office equipment	Vehicles	Total
Gross carrying amount			
Balance as at 1 April 2019	-	-	-
Recognition of right-of-use assets on account of transition to Ind AS 116	212	167	379
Disposals	-	-	-
Balance as at 31 March 2020	212	167	379
Additions	7	-	7
Disposals	-	-	-
Balance as at 31 March 2021	219	167	386
Accumulated depreciation			
Balance as at 1 April 2019	-	-	-
Depreciation expense	102	47	149
Disposals	-	-	-
Balance as at 31 March 2020	102	47	149
Depreciation expense	42	49	91
Disposals	-	-	-
Balance as at 31 March 2021	144	96	240
Net carrying amount			
As at 31 March 2020	110	120	230
As at 31 March 2021	75	71	146

Also refer note 36 for additional information about leases

Effective 1 April 2019, the company has adopted Ind AS 116 “Leases” applied to all lease contracts existing as 1 April 2019 using modified retrospective method which has resulted in recognition of Right-of-use assets and liabilities of ₹379 Lakhs.

5 Other intangible assets

Particulars	As at 31 March 2021	As at 31 March 2020
Carrying amounts of:		
Software licence	23	26
	23	26

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

Particulars	Software licence
Gross carrying amount	
Balance as at 1 April 2019	**91**
Additions	14
Disposals	-
Balance as at 31 March 2020	**105**
Additions	11
Disposals	-
Balance as at 31 March 2021	**116**
Accumulated amortisation	
Balance as at 1 April 2019	**56**
Amortisation expense	23
Disposals	-
Balance as at 31 March 2020	**79**
Amortisation expense	14
Disposals	-
Balance as at 31 March 2021	**93**
Net carrying amount	
As at 31 March 2020	26
As at 31 March 2021	23

6 Non-current investments

	Particulars	Face value per share	As at 31 March 2021		As at 31 March 2020	
			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 6.1)	₹10	99,72,816	21,632	79,61,398	16,269
	Rane Engine Valve Limited	₹10	36,83,054	9,480	36,83,054	9,480
	Rane Brake Lining Limited (refer note 6.4)	₹10	36,87,440	1,838	36,87,440	1,838
	Total quoted investments			**32,950**		**27,587**
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 (refer note 6.2)					
	a. In equity investment	₹10	11,67,000	127	11,67,000	127
	b. In compulsorily convertible preference shares [Net of impairment ₹1,557 lakhs (31 March 2020: Nil)]	₹10	2,78,50,000	1,228	2,78,50,000	2,785
	Rane (Madras) Limited - Share warrants (refer note 6.1)		-	1,000	-	833

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in INR lakhs unless otherwise stated)

Particulars	Face value per share	As at 31 March 2021		As at 31 March 2020	
		No. of Shares	Amount	No. of Shares	Amount
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
b. Investments in equity (designated as FVOCI)					
Autotech Fund I, L.P (refer note 6.3)		-	4,452	-	2,195
Wellingdon Corporate Foundation	₹10	60	-	60	-
Total unquoted investments			**10,180**		**9,313**
Total non-current investments			**43,130**		**36,900**
Aggregate book value of quoted investments			32,950		27,587
Aggregate market value of quoted investments			76,084		29,165
Aggregate carrying value of unquoted investments			10,180		9,313
Aggregate amount of impairment in value of investments			(1,557)		-

Notes:

6.1 During the year ended 31 March 2020, Rane (Madras) Limited, subsidiary company (RML), allotted on a preferential basis to the Company, 17,42,160 share warrants at a price of ₹287/- each compulsorily convertible into 17,42,160 equity shares of ₹10 each upon payment of the total consideration of ₹5,000 lakhs in one or more tranches. The Company had paid 25% of the above issue price amounting to ₹1,250 lakhs during December 2019 towards subscription of the said share warrants. Further, during March 2020, the Company has paid an amount of ₹1,250 lakhs towards conversion of 5,80,720 share warrants into equivalent equity shares and was allotted 5,80,720 equity shares of ₹10/- each.

During the year ended 31 March 2021, the Company duly exercised conversion of balance 11,61,440 share warrants out of the total 17,42,160 share warrants and was allotted 11,61,440 equity shares having a face value of ₹10/- upon payment of ₹2,500 lakhs.

During the year ended 31 March 2021, RML, allotted on a preferential basis to the Company, 25,49,936 share warrants at a price of ₹235.30/- each compulsorily convertible into 25,49,936 equity shares of ₹10 each upon payment of the total consideration of ₹6,000 lakhs in one or more tranches. The Company had paid 25% of the above issue price amounting to ₹1,500 lakhs during January 2021 towards subscription of the said share warrants. Further, during March 2021, the Company has paid an amount of ₹1,500 lakhs towards conversion of 8,49,978 share warrants into equivalent equity shares and was allotted 8,49,978 equity shares of ₹10/- each.

6.2 As per requirements of Ind AS 36, the Company has assessed the recoverable value of its total investment, loans and other financial assets in an operating subsidiary and has accordingly recorded for an impairment loss amounting to ₹1,557 Lakhs. In order to carry out this assessment, the management determined the recoverable value of investments, based on the fair value less cost to sell model. This involved significant judgements and estimates including determination of comparable companies and transactions, implied market multiples and projected revenue.

The key assumptions used in the estimation of the recoverable value are set out below.

Assumptions	
Enterprise value to sales multiple	1.80
Projected revenue growth rate	50.3%

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The changes in the following assumptions in isolation of other assumptions and used in the impairment assessment would lead to a change in the fair value less cost to sell and consequently an additional impairment as at 31 March 2021 as noted below:

Particulars	Amount
Decrease in enterprise value to sales multiple by 10%	257
Decrease in projected revenue by 10%	192

6.3 The Company designated the investments shown below as equity investments at FVOCI because these equity instruments represent investments that the Company intends to hold for long-term for strategic purposes.

Particulars	Fair value at 31 March 2021	Dividend recognised during the year 2020-21	Fair value at 31 March 2020	Dividend recognised during the year 2019-20
Investment in AutoTech Fund I, L.P ('AutoTech')	4,452	-	2,195	-

During the year ended 31 March 2021, the Company had invested an amount of ₹680 lakhs in AutoTech towards its share of capital contribution as one of the limited partners in the fund. During the current year, the company has received an amount of ₹232 lakhs from AutoTech towards its share of distribution of capital arising as a result of sale of investments held by AutoTech in some of the portfolio companies. The said amount has been reduced from the cost of investments.

6.4 Rane Brake Lining Limited is a Board controlled subsidiary of the Company as the Company has the right to appoint majority of the Board of Directors of Rane Brake Lining Limited.

7 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good				
Security deposits	4	4	-	-
Claims receivables	-	3	-	-
Rent advance	-	-	5	5
Interest receivable	-	-	3	-
	4	7	8	5

8 Income tax assets (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance Income-tax (net) (refer note 30)	398	915
	398	915

9 Other non-current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
Capital advance	3	6
	3	6

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021
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10 Deferred tax assets / (liabilities) (net)

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

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets	38	47
Deferred tax liabilities	(534)	(53)
Deferred tax assets / (liabilities)	(496)	(6)

For the year ended 31 March 2021

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
Deferred tax assets				
Provision for employee benefits	47	(11)	-	36
Leases (net)	-	2	-	2
	47	(9)	-	38
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(33)	7	-	(26)
Fair valuation on equity instruments through other comprehensive income	(20)	-	(488)	(508)
	(53)	7	(488)	(534)
Net deferred tax asset / (liabilities)	(6)	(2)	(488)	(496)

For the year ended 31 March 2020

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
Deferred tax assets				
Provision for employee benefits	47	-	-	47
	47	-	-	47
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(30)	(3)	-	(33)
Fair valuation on equity instruments through other comprehensive income	-	-	(20)	(20)
	(30)	(3)	(20)	(53)
Net deferred tax asset / (liabilities)	(17)	(3)	(20)	(6)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts are in INR lakhs unless otherwise stated)

11 Current investments

Particulars	As at 31 March 2021			As at 31 March 2020		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
Unquoted investments						
Investment in mutual fund - mandatorily measured at FVTPL						
- Aditya Birla Sun Life Liquid Fund - Growth	329	33,924	112	318	82,051	261
- Nippon India Liquid Fund - Growth Plan	4,997	2,981	149	4,823	3,224	155
- SBI Liquid Fund Regular Growth	3,203	371	12	-	-	-
Total unquoted investments			273			**416**
Aggregate book value of unquoted investments			273			416
Aggregate market value of unquoted investments			273			416
Aggregate amount of impairment in value of investments			-			-

12 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivable - considered good, unsecured		
i. Related parties (refer note 37)	1,166	938
ii. Others	-	-
Trade receivable - credit impaired	-	-
	1,166	938

Note:

The Company's receivables are wholly from its subsidiary companies and joint venture companies. The Company did not have any history of bad debts in earlier years in respect of the receivables from the subsidiaries and joint ventures. Further, the Company has assessed that there is no credit risk and thus no allowance for impairment of trade receivables was required to be recognised.

13 a. Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	-	1
Balances with banks in		
Current account	38	117
	38	118

b. Bank balances other than above

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks in earmarked accounts - unclaimed dividend	52	52
	52	52

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts are in INR lakhs unless otherwise stated)

14 Loan

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
Loan to employees	1	3
Loan to related party (also refer note 31 and 37)	300	-
	301	3

15 Other current assets

Particulars	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good		
Prepaid expenses	282	206
Advance to suppliers	-	11
Assets relating to employee benefits - Gratuity (refer note 33)	15	-
Others	165	165
	462	382

16 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
a. Authorised share capital:		
Equity shares:		
1,50,00,000 (31 March 2020: 1,50,00,000) equity shares of ₹10 each	1,500	1,500
Preference shares:		
50,00,000 (31 March 2020: 50,00,000) preference shares of ₹10 each	500	500
b. Issued share capital:		
1,42,77,809 (31 March 2020: 1,42,77,809) equity shares of ₹10 each	1,428	1,428
c. Subscribed share capital:		
1,42,77,809 (31 March 2020: 1,42,77,809) equity shares of ₹10 each fully paid-up	1,428	1,428
	1,428	1,428

16.1 Reconciliation of number of shares

Particulars	2020-21		2019-20	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹10 each fully paid up				
At the beginning and 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.

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.

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16.2 **Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company:**

Class of shares / Name of the share holder	2020-21		2019-20	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Fully paid up equity shares				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Sundaram Mutual Fund	10,12,935	7.09%	7,13,303	5.00%

16.3 **Information regarding issue of shares in the last five years**

a. The Company has not issued any shares without payment being received in cash.

b. The Company has not issued any bonus shares.

c. The Company has not undertaken any buyback of shares.

17 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	31,526	31,526
Securities premium	4,433	4,433
Capital redemption reserve	550	550
Retained earnings	7,217	7,603
Equity instruments through OCI	1,702	412
	45,428	**44,524**

a. General reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	31,526	27,721
Add: Addition during the year	-	3,805
Balance at the end of the year	31,526	**31,526**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Securities premium	4,433	4,433
	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.

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for the year ended 31 March 2021
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c. Capital redemption reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Capital redemption reserve	550	550
	550	550

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

d. Retained earnings

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	7,603	8,895
Profit for the year	136	5,082
Other comprehensive income arising from remeasurement of defined benefit obligation, net of income tax	49	(55)
Payment of dividends (including tax on dividend)	(571)	(2,514)
Transfer to general reserve	-	(3,805)
Balance at the end of the year	7,217	7,603

The above represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. The balance in retained earnings can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013 and other local laws.

Balance of retained earnings at the end of the year includes cumulative other comprehensive loss arising from remeasurement of defined benefit obligations, net of tax, amounting to ₹33 lakhs as at 31 March 2021 (31 March 2020: ₹82 lakhs)

The board has not declared dividend for the year ended 31 March 2021. In respect of the year ended 31 March 2020, during the year a final dividend of ₹4 per share aggregating to ₹571 lakhs was paid.

e. Equity instruments through OCI

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	412	74
Net gain/(loss) on FVOCI equity instruments, net of tax	1,290	338
Balance at the end of the year	1,702	412

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in INR lakhs unless otherwise stated)

18 Borrowings

Particulars	Non-current		Current maturities (Refer Note 19)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Term loans				
From banks				
Secured loans	819	1,160	500	433
From others				
Secured loans	5,791	873	582	831
	6,610	2,033	1,082	1,264

Summary of borrowing arrangements

Particulars	As at 31 March 2021	As at 31 March 2020	Details
1. Term loan from Tata Capital Financial Services Limited [TCFSL] on 6 September 2017 (Loan 1)	-	250	The loan was availed in 2017, repayable in 16 equal quarterly Instalments commencing from June 2018. The loan was repaid during the year 20-21.
2. Term loan from Tata Capital Financial Services Limited [TCFSL] on 19 December 2019 (Loan 2)	273	454	The loan was availed during the year ended 31 March 2020. The loan is repayable in 11 equal quarterly Instalments commencing from January 2020.
3. Term loan from Tata Capital Financial Services Limited [TCFSL] on 17 March 2020 (Loan 3)	600	1,000	The loan was availed during the year ended 31 March 2020. The loan is repayable in 10 equal quarterly Instalments commencing from June 2020.
4. Term loan from Federal Bank Limited (Loan 1)	692	922	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from June 2020 with 12 months of moratorium period.
5.Term loan from Federal Bank Limited (Loan 2)	627	671	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from September 2020 with 12 months of moratorium period.
6. Term loan from Axis Finance Limited	5,500	-	During the year ended 31 March 2021, the Company has availed the Term loan of ₹5,500 Lakhs in multiple tranches from Axis Finance Limited. The loan is repayable in 20 unequal quarterly instalments commencing from September 2022 with 18 months of moratorium period.
Less: Current maturities	(1,082)	(1,264)	
Total	6,610	2,033	

The interest rate range from 5.72% p.a to 9.65% p.a (31 March 2020: 7.22% p.a to 10.75% p.a).

The term loans outstanding as at 31 March 2021 which are availed from Tata Capital Financial Services Limited and Federal Bank Limited are secured by a first Pari-passu charge created on the Company's land located at Teynampet, Chennai and loan availed from Axis Finance Limited are secured by a first charge created on the Company's land and building located at Perungudi, Chennai.

Breach of loan agreement

There is no breach of loan agreements

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	3,297	1,897
Changes from financing cash flows		
Repayment of loan	(1,264)	(1,045)
Proceeds from long term secured loan	5,658	2,445
Others	1	-
Closing balance	7,692	3,297

19 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current maturities of long-term debt	-	-	1,082	1,264
Lease liability	76	149	76	78
Employee related dues	-	-	80	195
Unclaimed dividends	-	-	52	52
Capital creditors	-	-	5	7
Interest accrued but not due on borrowings	-	-	4	19
Others (refer note 19.1)	-	-	61	59
	76	149	1,360	1,674

19.1 Others include an accrued 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 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	217	104
	217	104

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) there are no dues to micro and small enterprises as at 31 March 2021 and 31 March 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

20.1 Micro and Small Enterprises :

Particulars	As at 31 March 2021	As at 31 March 2020
The amount remaining unpaid to any supplier at the end of year;		
- Principal	-	-
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:	-	-
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006:	-	-
The amount of interest accrued and remaining unpaid at the end of year;	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

21 Provisions

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provision for leave encashment	100	129	44	44
Provision for gratuity (refer note 33)	-	24	-	-
	100	153	44	44

22 Current tax liabilities (net)

Particulars	As at 31 March 2021	As at 31 March 2020
Current tax liabilities (net) (refer note 30)	250	-
	250	-

23 Other current liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Statutory dues	175	121
	175	121

24 Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Service fee	2,809	3,264
Trade mark fee	2,944	3,129
Dividend income	755	3,338
	6,508	9,731

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The table below presents disaggregated revenues from contracts with customers based on location of the customers:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Revenue by geography		
1. India	6,477	9,703
2. Outside India	31	28
Total revenue from contracts with customers	6,508	9,731

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.

25 Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gain on current investments mandatorily measured at FVTPL	14	46
Interest income earned on financial assets that are not designated at fair value through profit or loss:		
Interest on bank deposit	2	-
Interest on loan	3	-
Interest on tax refund	31	-
Income relating to financial guarantees	30	-
Other non-operating income	11	1
	91	47

26 Employee benefits expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries, wages and bonus	1,114	1,270
Contribution to:		
Provident and other fund (refer note 33)	77	80
Superannuation fund (refer note 33)	19	24
National pension scheme	23	26
Gratuity fund (refer note 33)	37	28
Staff welfare expenses	39	84
	1,309	1,512

27 Finance costs

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest costs:		
- Interest on loans	297	190
- Interest on lease liabilities	12	27
	309	217

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts are in INR lakhs unless otherwise stated)

28 Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation on property, plant and equipment	201	149
Depreciation of right-of-use assets	91	149
Amortisation of intangible assets	14	23
	306	321

29 Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Power and fuel	27	32
Rent expense	13	32
Travelling and conveyance	19	144
Repairs and maintenance		
- Buildings	77	74
- Others	49	36
Insurance	76	52
Rates and taxes	33	32
Payment to auditors (Refer note 29.1)	19	32
Directors' sitting fees	2	12
Information systems expenses	654	645
Loss on disposal of property, plant and equipment (net)	1	-
Professional charges	404	480
Corporate social responsibility expenditure (Refer note 29.2)	55	115
Chairman emeritus & CMD commission (Refer note 37)	112	219
Miscellaneous expenses	79	119
	1,620	2,024

29.1 Payment to auditors (excluding taxes)*

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
For statutory audit	12	14
For taxation matters	1	13
For limited review	4	3
For certification fee	2	2
	19	32

* includes amount of ₹3 lakhs (31 March 2020: ₹32 lakhs) paid / payable to a firm other than B S R & Co. LLP.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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29.2 Amount Spent on Corporate social responsibility activities

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Amount spent towards corporate social responsibility	110	115
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	110	115
Amount required to be spent u/s 135 of the Companies Act, 2013	55	115
Excess recognised as an asset / (Shortfall recognised as a liability)	55	-

30 Tax reconciliation:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
In respect of current year	589	619
In respect of earlier years (refer note 30.1)	771	-
Current tax recognised in profit or loss	**1,360**	**619**
Deferred tax		
In respect of current year	2	3
Deferred tax recognised in profit or loss	**2**	**3**
Income tax recognised in profit or loss	**1,362**	**622**

Reconciliation of effective tax rate

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit before tax	3,055	5,704
Income tax expense calculated at 25.168% (2019-20: 25.168%)	769	1,436
Effect of:		
Dividend from subsidiaries and joint ventures	(190)	(840)
Non-deductible expense	12	26
Current tax for earlier years (refer note 30.1)	771	-
Income tax expense recognised in profit or loss	**1,362**	**622**

30.1. Includes amount pertaining to pending income tax litigations for certain assessment years, which the Company has opted to settle under the Vivad Se Vishwas scheme. In view of this, the Company has created a provision of ₹733 lakhs towards income-tax in respect of earlier years.

Income tax recognised in other comprehensive income:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
i. Current tax	(48)	(33)
ii. Deferred tax	(488)	(20)
Income tax recognised in other comprehensive income	(536)	(53)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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31 Disclosure under Section 186(4) of the Companies Act, 2013 and as per Regulation 34(3) read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulation, 2015

(i) Loans

Particulars	31 March 2021	31 March 2020
Opening balance	-	-
Given during the year	300	-
Received during the year	-	-
Closing balance	300	-

The Company had given loan to Rane t4u (P) Limited. As per the terms of the agreement, the loan is to be utilised to meet the working capital requirements of the subsidiary. The loan carries an interest of 9% p.a and is repayable at the end of one year from the date of such loan.

(ii) Interest accrued on loan

Particulars	31 March 2021	31 March 2020
Opening balance	-	-
Interest for the year	3	-
Interest received during the year	-	-
Closing balance	3	-

The maximum amount of loan outstanding and interest on loan at any point in time during the year was ₹300 lakhs and ₹3 lakhs respectively.

32 Contingent liabilities

Particulars	31 March 2021	31 March 2020
Claims against the Company not acknowledged as debt		
Income tax matters (Refer note 30.1)	95	1,088
Customs maters	6	6

32.A Commitments and guarantees

Particulars	As at 31 March 2021	As at 31 March 2020
Estimated amount of contracts remaining to be executed on capital account (net of advance)	14	15
Uncalled liability on investment in Auto Tech I, L.P	515	1,206
Balance amount payable towards preferential allotment of shares warrants issued by RML	3,000	2,500

33 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

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

The contributions, as specified under the law, are made to the Government.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(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 ₹96 Lakhs (for the year ended 31 March 2020: ₹104 Lakhs) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2021, contributions of ₹16 Lakhs (as at 31 March 2020: ₹9 Lakhs) had not been paid. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

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 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.
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.

The following table summarises the position of assets and obligations relating to the plans:

Particulars	As at 31 March 2021	As at 31 March 2020
Present value of defined benefit obligation	535	551
Fair value of plan assets	550	527
Net (asset) / liability recognised in the balance sheet	(15)	24
Non-current	-	24
Currrent	(15)	-

(i) Movement in present values of defined benefit obligations

Particulars	As at 31 March 2021	As at 31 March 2020
Opening defined benefit obligation	551	**440**
Current service cost	36	28
Interest cost	36	33
Actuarial (gain) / loss	(65)	56
Benefits paid	(23)	(6)
Closing defined benefit obligation	535	**551**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Opening fair value of plan assets	527	412
Interest income	35	33
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	1	1
Contributions from the employer	10	87
Benefits paid	(23)	(6)
Closing fair value of plan assets	550	527

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	36	28
Net interest expense	1	-
Components of defined benefit costs recognised in profit or loss	37	28
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)	(1)	(1)
Actuarial (gains) / losses on plan obligations	(65)	56
Components of defined benefit costs recognised in other comprehensive income	(66)	55

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.

(iv) **The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.90%	6.64%
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.

(iii) The entire plan assets are managed by Life Insurance Corporation of India (LIC).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Sensitivity analysis

Change in assumptions	31 March 2021	31 March 2020
A. Discount rate + 50 BP	7.40%	7.14%
Defined Benefit Obligation	525	538
Current service cost	31	35
B. Discount rate - 50 BP	6.40%	6.14%
Defined Benefit Obligation	549	567
Current service cost	33	38
C. Salary escalation rate +50 BP	8.50%	8.50%
Defined Benefit Obligation	549	567
Current service cost	33	38
D. Salary escalation rate -50 BP	7.50%	7.50%
Defined Benefit Obligation	525	538
Current service cost	31	35

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

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

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

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

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4.8 years (2020 - 5.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2021	31 March 2020
Year 1	265	261
Year 2	91	56
Year 3	18	44
Year 4	9	13
Year 5	29	7
Next 5 years	137	125

34 Earnings per share

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit attributable to the equity holders (₹ Lakhs)	136	5,082
Weighted average number of equity shares	1,42,77,809	1,42,77,809
a. Basic Earning per share (₹)	0.95	35.59
b. Diluted Earnings per share (₹)	0.95	35.59

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35 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. Segment reporting information is provided in the consolidated financial statements of the Group.

36 Leases

A. Break-up of current and non-current lease liabilities:

The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	76	78
Non-current lease liabilities	76	149
Total	**152**	**227**

B. Movement in lease liabilities:

The following is the movement in lease liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as on 1 April 2020 / 2019	227	-
Additions	7	379
Finance costs accrued during the year	12	27
Payment of lease liabilities	(94)	(179)
Balance as on 31 March 2021 / 2020	**152**	**227**

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	82	95
One to five years	77	163
Total	**159**	**258**

D. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows.

Particulars	As at 31 March 2020
Increase in lease liability by	379
Increase in rights-of-use assets by	379
Increase in finance cost by	27
Increase in depreciation by	149
Balance as on 31st March 2020	227

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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E. Amounts recognized in profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities	12	27
Expenses relating to short-term leases	13	32

F. Amounts recognized/disclosed in Cash flow statement

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total cash outflows for leases	94	179

37 Related party disclosures

Description of relationship	Name of the related party
List of related parties where control exists - Subsidiaries	Rane (Madras) Limited (RML) Rane Engine Valve Limited (REVL) Rane Brake Lining Limited (RBL) Rane Holdings America Inc. (RHAI) Rane (Madras) International Holdings B.V (RMIH) Rane Light Metal Castings Inc (Formerly known as Rane Precision Diecasting Inc. (RPDC)) (RLMCA) Rane Holdings Europe GmbH (RHEG) Rane t4u Private Limited (Rane t4u)
Joint ventures	Rane TRW Steering Systems Private Limited (RTSS) Rane NSK Steering Systems Private Limited (RNSS)
Other related parties where transactions have taken place	
Key Management Personnel (KMP)	Mr. L Ganesh Mr. Harish Lakshman
Relative of KMP	Mr. L Lakshman
Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
Post employment benefit plans	Rane Holdings Limited Gratuity Fund Rane Holdings Limited Senior Executives Superannuation Fund

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in INR lakhs unless otherwise stated)

Details of related party transactions and balances:

Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Transaction during the year												
Investment made												
Rane (Madras) Limited	5,530	2,500	-	-	-	-	-	-	-	-	-	-
Loan given												
Rane t4u Private Limited	300	-	-	-	-	-	-	-	-	-	-	-
Interest income												
Rane t4u Private Limited	3	-	-	-	-	-	-	-	-	-	-	-
Fee for services rendered												
Rane (Madras) Limited	755	869	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	354	417	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	378	423	-	-	-	-	-	-	-	-	-	-
Rane Light Metal Castings America Inc	31	34	-	-	-	-	-	-	-	-	-	-
Rane TRW Steering Systems Private Limited	-	-	757	847	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	534	674	-	-	-	-	-	-	-	-
Trademark fee income												
Rane (Madras) Limited	538	508	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	149	174	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	211	243	-	-	-	-	-	-	-	-	-	-
Rane TRW Steering Systems Private Limited	-	-	982	1,066	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	1,064	1,139	-	-	-	-	-	-	-	-
Dividend received												
Rane (Madras) Limited	-	332	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	406	553	-	-	-	-	-	-	-	-	-	-
Rane TRW Steering Systems Private Limited	-	-	350	961	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	-	1,491	-	-	-	-	-	-	-	-
Income relating to financial guarantees												
Rane (Madras) Limited	30	-	-	-	-	-	-	-	-	-	-	-
Salary and other perquisites												
L Ganesh	-	-	-	-	186	164	-	-	-	-	-	-
Harish Lakshman	-	-	-	-	78	38	-	-	-	-	-	-
Commission												
L Ganesh	-	-	-	-	56	119	-	-	-	-	-	-
L Lakshman	-	-	-	-	-	-	56	100	-	-	-	-

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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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Sitting fees												
L Lakshman	-	-	-	-	-	-	-	2	-	-	-	-
Harish Lakshman	-	-	-	-	-	1	-	-	-	-	-	-
Advisory fee												
L Lakshman	-	-	-	-	-	-	100	100	-	-	-	-
Reimbursement of expenses from												
Rane Light Metal Castings America Inc	2	-	-	-	-	-	-	-	-	-	-	-
Rane (Madras) Limited	1											
Reimbursement of expenses to												
Rane (Madras) Limited	7	-	-	-	-	-	-	-	-	-	-	-
Rane TRW Steering Systems Private Limited	-	-	1	-	-	-	-	-	-	-	-	-
CSR contributions to												
Rane Foundation	-	-	-	-	-	-	-	-	68	101	-	-
Contribution to post employment benefit plan												
Rane Holdings Limited Gratuity Fund	-	-	-	-	-	-	-	-	-	-	38	6
Rane Holdings Limited Senior Executives Superannuation Fund	-	-	-	-	-	-	-	-	-	-	19	24

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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Balance as at 31 March												
Commission payable												
L Ganesh	-	-	-	-	56	119	-	-	-	-	-	-
L Lakshman	-	-	-	-	-	-	3	-	-	-	-	-
Loan receivable												
Rane t4u Private Limited	300	-	-	-	-	-	-	-	-	-	-	-
Interest receivable												
Rane t4u Private Limited	3	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables												
Rane (Madras) Limited	168	194	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	236	254	-	-	-	-	-	-	-	-	-	-

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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	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Rane Brake Lining Limited	55	34	-	-	-	-	-	-	-	-	-	-
Rane Light Metal Castings America Inc	19	28	-	-	-	-	-	-	-	-	-	-
Rane TRW Steering Systems Private Limited	-	-	308	187	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	380	241	-	-	-	-	-	-	-	-
Investment in equity shares												
Rane (Madras) Limited	21,632	16,269	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	9,480	9,480	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	1,838	1,838	-	-	-	-	-	-	-	-	-	-
Rane t4u Private Limited	127	127	-	-	-	-	-	-	-	-	-	-
Rane Holdings America Inc.	10	10	-	-	-	-	-	-	-	-	-	-
Rane Holdings Europe GmbH	19	19	-	-	-	-	-	-	-	-	-	-
Rane TRW Steering Systems Private Limited	-	-	2,332	2,332	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	1,012	1,012	-	-	-	-	-	-	-	-
Investment in compulsorily convertible preference shares												
Rane t4u Private Limited [net of impairment ₹1,577 lakhs (31 March 2020: Nil)]	1,228	2,785	-	-	-	-	-	-	-	-	-	-
Share warrants												
Rane (Madras) Limited	1,000	833	-	-	-	-	-	-	-	-	-	-

Remuneration to Key Management Personnel

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Short term benefits paid	311	317
Other Long term benefits paid	9	4
Total	320	321

Note: As the future liabilities of gratuity and compensated absences are provided on an actuarial basis for the company as a whole, the amounts pertaining to key managerial person is not ascertainable separately and therefore, not included above.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in INR lakhs unless otherwise stated)

38 Financial instruments

38.1 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 optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalent as detailed in notes 18 and 13.a) and total equity of the Company.

38.1.1 Gearing ratio

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

Particulars	As at 31 March 2021	As at 31 March 2020
Debt *	7,692	3,297
Cash and cash equivalents	(38)	(118)
Net debt	**7,654**	**3,179**
Total equity**	46,856	45,952
Net debt to equity ratio (in times)	**0.16**	**0.07**

* Debt is defined as long-term borrowings (including current maturities).

** Equity includes all capital and reserve of the Company.

38.2 Fair value measurements

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Financial instrument by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Loans	-	-	301	-	-	3
Investments in equity instruments	-	4,452	-	-	2,195	-
Trade receivables	-	-	1,166	-	-	938
Cash and cash equivalents	-	-	38	-	-	118
Bank balances other than above	-	-	52	-	-	52
Other financial assets (excluding investments)	-	-	12	-	-	12
Mutual fund investments (mandatorily measured at FVTPL)	273	-	-	416	-	-
Total Financial Assets	**273**	**4,452**	**1,569**	**416**	**2,195**	**1,123**
Financial liabilities						
Borrowings	-	-	7,692	-	-	3,297
Trade payables	-	-	217	-	-	104
Lease liability	-	-	152	-	-	227
Other financial liabilities	-	-	202	-	-	332
Total Financial Liabilities	**-**	**-**	**8,263**	**-**	**-**	**3,960**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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Note:

1. Investment in subsidiaries and Joint Ventures of ₹38,678 Lakhs (₹34,705 Lakhs) is shown at cost (net off impairment) in balance sheet as per the Ind AS 27 " Separate Financial Statements"
2. The Company has not disclosed the fair values of financial instruments such as loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liability and other financial liabilities because their carrying amounts are at reasonable approximation of fair value.

38.2.1 The below table summarises the fair value hierarchy of the financial assets/liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020	Fair Value Hierarchy (Level 1,2,3)*	Valuation technique
a. Mutual fund investments (unquoted) (mandatorily measured at FVTPL)	273	416	2	Fair value is determined based on Net Assets Value published by respective funds.
b. Investments in equity instruments measured at FVOCI	4,452	2,195	3	Fair value of the investment is determined based on the fair value of the net assets as furnished by the fund which inturn is determined using various significant unobservable inputs including the purchase price, developments concerning the investee company of the fund subsequent to acquisition, data and projections of investee company etc. The estimated fair value would increase or decrease depending upon changes to such inputs.
Total	4,725	2,611		

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	Amount
Balance at 1 April 2019	**1,868**
Net change in fair value (unrealised)	391
(Sale) / Purchase (net)	(64)
Balance at 31 March 2020	**2,195**
Balance at 1 April 2020	2,195
Net change in fair value (unrealised)	1,809
(Sale) / Purchase (net)	448
Balance at 31 March 2021	**4,452**

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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(All amounts are in INR lakhs unless otherwise stated)

* Fair value hierarchy (Level 1,2,3)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38.3 Financial risk management

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

38.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Company is exposed to equity price risks arising from its investments in equity investments. However all the equity investments in group companies are strategic in nature and held for long term period rather than for trading purposes.

38.5 Foreign currency risk management

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

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	In equivalent ₹ (Lakhs)	In Foreign Currency (Lakhs)	In equivalent ₹ (Lakhs)	In Foreign Currency (Lakhs)
Financial assets				
Investments - USD	4,452	61	2,195	28
Trade receivables - USD	19	0.25	28	0.37
Total	4,471	61	2,223	28

38.5.1 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used 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 negative number below indicates a decrease 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 opposite impact on the profit or equity.

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	Strengthening	Weakening	Strengthening	Weakening
2020-21				
USD	(1)	1	(223)	223
2019-20				
USD	(1)	1	(110)	110

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021

(All amounts are in INR lakhs unless otherwise stated)

38.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

38.6.1 Interest rate sensitivity analysis

The sensitivity analysis 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 and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2021 would decrease / increase by ₹38 Lakhs (₹16 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowing.

38.7 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 1% higher / lower, profit for the year ended 31 March 2021 would increase / decrease by ₹45 lakhs (31 March 2020: ₹22 lakh) as a result of the changes in fair value of equity investments which have been irrevocably designated at FVOCI.

38.8 Credit risk management

The Company's receivables are wholly from its subsidiary companies and joint venture companies. The Company did not have any history of bad debts in earlier years in respect of the receivables from the subsidiaries and joint ventures. Further, the Company has assessed that there is no credit risk and thus no allowance for impairment of trade receivables was required to be recognised.

38.9 Liquidity risk management

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

38.9.1 Liquidity and interest risk tables

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2021

Particulars	Carrying amount	Less than 1 year	1 - 5 years	5 or more years	Total contractual cash flows
Borrowings (including current maturities)	7,692	1,653	6,220	1,611	9,484
Trade payables	217	217	-	-	217
Lease liability	152	82	77	-	159
Other financial liabilities	202	202	-	-	202
Total	8,263	2,154	6,297	1,611	10,062

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020

	Carrying amount	Less than 1 year	3 - 5 years	5 or more years	Total contractual cash flows
Borrowings (including current maturities)	3,297	1,489	2,207	-	3,696
Trade payables	104	104	-	-	104
Lease liability	227	95	163	-	258
Other financial liabilities	332	332	-	-	332
Total	**3,960**	**2,020**	**2,370**	**-**	**4,390**

39 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 27 May 2021.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Rane Holdings Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rane Holdings Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2021, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 2.5.3 of the consolidated financial statements, which describes the economic and social consequences / disruption as a result of COVID-19 which impact matters relating to supply chain, customer demand, commodity prices, personnel available for work etc.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Impairment of assets relating to Rane Light Metal Castings Inc., USA ('LMCA') – a cash generating unit	
Refer note 3 to the consolidated financial statements. The Group has identified LMCA as a separate cash generating unit ('CGU'), which has a carrying value of INR 13,331 lakhs as at March 31, 2021. Due to significant losses incurred by LMCA, there is a risk that the carrying value of the CGU is higher than its recoverable value as at the year end, thereby triggering impairment. The determination of the recoverable value of the CGU, which is based on discounted cash flows, involves significant judgements and estimates, including estimates of revenue growth rate, terminal growth rate, discount rate and also those related to the possible effects of COVIID-19. We have identified the assessment of impairment of CGU as a key audit matter since it involves significant judgement in making the above estimates especially in view of the highly uncertain economic environment and hence the actual results may differ from those estimated at the date of approval of these financial statements.	In view of the significance of the matter, we applied the following audit procedures, in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of accounting policy for impairment as per relevant accounting standard. • Assessed the design and implementation of key internal financial controls with respect to impairment of CGU and tested the operating effectiveness of such controls • Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the recoverable value of the CGU. • Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Group. • Evaluated the appropriateness of the key assumptions used in estimating future cash flows such as revenue growth rate, discount rate, terminal growth rate, including the possible effects of COVID-19. This evaluation was based on our knowledge of the Group and the industry, and observable market data, past performances, consistency with the Board approved plans and inquiries of the auditors of the subsidiary. • Performed sensitivity analysis of the key assumptions used in the impairment assessment. • Assessed the adequacy of the disclosures relating to impairment of CGU in the consolidated financial statements.
Recoverability of deferred tax assets recognized in one of the subsidiaries of the Company	
Refer note 16 to the consolidated financial statements One of the subsidiaries of the Company (Rane Engine Valve Limited) has recognised deferred tax assets on deductible temporary differences, unused tax losses (unabsorbed depreciation) and for unused tax credits (MAT credit), that it believes are recoverable. The recoverability of recognised deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilize the deductible temporary differences and tax losses and to set off the unused tax credits. Recognition of deferred tax assets has been identified as a key audit matter by the auditor of the subsidiary, due to the inherent uncertainty and significant judgement involved in forecasting the amount and timing of future taxable profits and the reversal of temporary differences, more specifically in light of the economic conditions associated with the nature and duration of Coronavirus (COVID-19) pandemic.	In view of the significance of the matter, the auditor of the subsidiary has reported that the following audit procedures were applied, among others to obtain sufficient appropriate audit evidence: • reconciling tax losses/ credits and expiry dates to tax returns; • assessing the accuracy of forecasts of future taxable profits by comparing the assumptions, such as projected growth rates, with business plans and assessing their consistency with forecasts used for impairment testing purposes appropriately factoring the probable impact of the COVID-19 pandemic; and • evaluating the adequacy of disclosures.

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises of reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the financial statements and our auditors' report thereon) which we obtained prior to the date of this Auditor's Report and the remaining sections of Annual report, which are expected to be made available to us after that date.

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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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 and based on the work done/ audit report of other auditors, 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.

When we read the remaining sections of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and 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 each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated 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 Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to 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 is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities 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 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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 such entities or business activities 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 financial information 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 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. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

  We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company 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 auditors' 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 ₹89,334 lakhs as at March 31, 2021 (before consolidation adjustments), total revenues of ₹86,003 lakhs (before consolidation adjustments) and net cash inflows amounting to ₹3,509 lakhs (before consolidation adjustments) 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 loss (and other comprehensive income) of ₹2,734 lakhs (before consolidation adjustments) for the year ended March 31, 2021, in respect of two joint ventures, 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

(b) The financial information of two subsidiaries, whose financial information reflect total assets of ₹11,546 lakhs as at March 31, 2021 (before consolidation adjustments), total revenues of ₹87 lakhs (before consolidation adjustments) and net cash outflows amounting to ₹83 lakhs (before consolidation adjustments) for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information 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 our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

(c) The consolidated financial statements of the Group for the year ended March 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on June 24, 2020.

Our opinion on the consolidated financial statements, 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 information certified by the Management.

Report on Other Legal and Regulatory Requirements

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 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 changes in equity and the consolidated statement of cash flows 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 Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies, and its joint ventures incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2021 on the consolidated financial position of the Group and its joint ventures. Refer Note 42 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 9 and 25 to the consolidated financial statements in respect of such items as it relates to the Group and its joint ventures.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures incorporated in India during the year ended March 31, 2021.

iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2021

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491
UDIN: 21203491AAAADI7609

Place: Chennai
Date: May 27, 2021

Annexure A to the Independent Auditors' report on the consolidated financial statements of Rane Holdings Limited for the period ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Rane Holdings Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 relevant subsidiary companies and joint venture companies 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 with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated financial statements 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 with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

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

For B S R & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491
UDIN: 21203491AAAADI7609

Place: Chennai
Date: May 27, 2021

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-Current Assets			
a. Property, plant and equipment	3	71,223	71,454
b. Capital work-in-progress	3	3,450	5,188
c. Right-of-use assets	4	1,112	868
d. Investment property	5	31	31
e. Goodwill	6	7,199	7,199
f. Other intangible assets	7	568	1,023
g. Intangible assets under development	8	-	3
h. Investments accounted for using equity method	9	30,983	34,077
i. Financial assets			
i. Investments	10	4,666	2,410
ii. Other financial assets	13	7,314	6,735
j. Deferred tax assets (net)	16	3,718	3,234
k. Income tax assets (net)	14	3,207	3,567
l. Other non-current assets	15	3,396	3,516
Total non-current assets		136,867	139,305
Current assets			
a. Inventories	17	28,036	29,620
b. Financial assets			
i. Investments	11	2,293	416
ii. Trade receivables	18	48,615	35,952
iii. Cash and cash equivalents	19.a	6,106	5,887
iv. Bank balance other than (iii) above	19.b	215	145
v. Loans	12	46	51
vi. Other financial assets	13	1,036	996
c. Other current assets	15	4,948	4,304
		91,295	77,371
Non-current assets held for sale		-	7
Total current assets		91,295	77,378
TOTAL ASSETS		228,162	216,683
EQUITY AND LIABILITIES			
Equity			
a. Equity share capital	20	1,428	1,428
b. Other equity	21	75,021	80,803
Equity attributable to owners of the company		76,449	82,231
Non-controlling interest	22	22,113	23,044
Total equity		98,562	105,275
Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	23.a	31,115	25,814
ii. Other financial liabilities	24	901	592
b. Provisions	25	4,092	4,618
c. Deferred tax liabilities (net)	16	1,078	352
d. Other non-current liabilities	26	1,098	462
Total non-current liabilities		38,284	31,838
Current liabilities			
a. Financial liabilities			
i. Borrowings	23.b	22,475	27,711
ii. Trade payables	28		
a. Total outstanding dues of micro enterprises and small enterprises		2,685	2,006
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		43,587	30,880
iii. Other financial liabilities	24	18,151	14,632
b. Other current liabilities	26	2,314	1,219
c. Provisions	25	1,851	3,121
d. Current tax liabilities (net)	27	253	1
Total current liabilities		91,316	79,570
Total liabilities		129,600	111,408
TOTAL EQUITY AND LIABILITIES		228,162	216,683

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR YEAR ENDED 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

S.No	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
I	Revenue from operations	29	203,487	215,524
II	Other income	30	2,215	2,876
III	**Total income (I+II)**		205,702	**218,400**
IV	**Expenses**			
	Cost of materials consumed	31	107,059	110,728
	Purchase of stock-in-trade	32	605	847
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	2,982	725
	Employee benefits expense	34	40,145	44,115
	Finance costs	35	3,971	5,103
	Depreciation and amortisation expense	36	12,036	12,777
	Other expenses	37	41,527	44,867
	Total expenses (IV)		**208,325**	**219,162**
V	**Loss before share of profit / (loss) of joint venture, exceptional items and tax (III-IV)**		(2,623)	(762)
VI	**Share of loss of joint ventures (includes share of exceptional items, net of taxes)**	9	(2,734)	(40)
VII	**Loss before exceptional items and tax (V+VI)**		(5,357)	(802)
VIII	**Exceptional items**	45	2,223	(197)
IX	**Loss before tax (VII+VIII)**		(3,134)	(999)
X	**Tax expense**	38		
	a) Current tax		2,966	2,652
	b) Current tax for earlier years		771	-
	c) Deferred tax		(836)	(2,604)
			2,901	48
XI	**Loss for the year (IX-X)**		(6,035)	(1,047)
XII	Other comprehensive income			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains/(losses) on defined benefit plans		754	(1,131)
	(b) Net gain/(loss) on FVOCI equity instruments		1,809	391
	(c) Income tax relating to items that will not be reclassified to profit or loss		(588)	115
	ii) Items that will be reclassified to profit or loss		1,975	(625)
	(a) Net movement on cash flow hedges		622	(448)
	(b) Exchange differences on translation of foreign operations		(608)	(908)
	(c) Income tax relating to items that will be reclassified to profit or loss		(150)	157
			(136)	(1,199)
	Total other comprehensive income (net of tax) (i+ii)		1,839	(1,824)
XIII	**Total comprehensive income for the year (XI+XII)**		(4,196)	(2,871)
	Profit / (loss) for the year attributable to:			
	Owners of the parent		(5,057)	(272)
	Non-controlling interest		(978)	(775)
			(6,035)	(1,047)
	Other comprehensive income for the year attributable to:			
	Owners of the parent		1,722	(1,068)
	Non-controlling interest		117	(756)
			1,839	(1,824)
	Total comprehensive income for the year attributable to:			
	Owners of the parent		(3,335)	(1,340)
	Non-controlling interest		(861)	(1,531)
			(4,196)	(2,871)
XIV	**Earnings per equity share**			
	Basic & Diluted (in ₹)	43	(35.42)	(1.90)

See accompanying notes forming part of the consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in INR lakhs unless otherwise stated)

A. Equity share capital

Particulars	Amount
Balance as at 1 April 2019	**1,428**
Changes in equity share capital during the year	-
Balance as at 31 March 2020	**1,428**
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1,428

B. Other equity

Particulars	Reserves and surplus								Items of OCI				Total attributable to owners of the Company	Attributable to NCI	Total
	General Reserve	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Securities Premium	Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Foreign Currency Translation Reserve	Hedge Reserve	Equity instruments through OCI	Total			
Balance as at 1 April 2019	40,464	36,993	1,335	69	4,433	(11)	1,771	85,054	10	-	74	84	85,138	25,421	110,559
Total comprehensive income for the year ended 31 March 2020															
Loss for the year	-	(272)	-	-	-	-	-	(272)	-	-	-	-	(272)	(775)	(1,047)
Other comprehensive income for the year (net of tax)	-	(651)	-	-	-	-		(651)	(571)	(184)	338	(417)	(1,068)	(756)	(1,824)
Total comprehensive income for the year	40,464	36,070	1,335	69	4,433	(11)	1,771	84,131	(561)	(184)	412	(333)	83,798	23,890	107,688
Transfer to general reserves	7,419	(7,419)	-	-	-	-	-	-	-	-	-	-	-	-	-
Tranaction with owners, recorded directly in equity															
Distribution to owners															
Payment of dividends (including tax on dividend)	-	(2,708)	-	-	-	-	-	(2,708)	-	-	-	-	(2,708)	(1,003)	(3,711)
Changes in ownership interests in subsidiaries that do not result in loss of control															
Acquisition of non-controlling interests	317	(627)	23	-	-	-	-	(287)	-	-	-	-	(287)	157	(130)
Balance as at 31 March 2020	48,200	25,316	1,358	69	4,433	(11)	1,771	81,136	(561)	(184)	412	(333)	80,803	23,044	103,847

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2021

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Reserves and surplus								Items of OCI				Total attributable to owners of the Company	Attributable to NCI	Total
	General Reserve	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Securities Premium	Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Foreign Currency Translation Reserve	Hedge Reserve	Equity instruments through OCI	Total			
Total comprehensive income for the year ended 31 March 2021															
Loss for the year	-	(5,057)	-	-	-	-	-	(5,057)	-	-		-	(5,057)	(978)	(6,035)
Other comprehensive income for the year (net of tax)	-	466	-	-	-	-	-	466	(343)	309	1,290	1,256	1,722	117	1,839
Total comprehensive income for the year	48,200	20,725	1,358	69	4,433	(11)	1,771	76,545	(904)	125	1,702	923	77,468	22,183	99,651
Transaction with owners, recorded directly in equity															
Contribution by and distribution to owners															
Payment of dividends (including tax on dividend)	-	(571)	-	-	-	-	-	(571)	-	-	-	-	(571)	(465)	(1,036)
Changes in ownership interests in subsidiaries that do not result in loss of control															
Acquisition of non-controlling interests	655	(2,488)	72	-	-	(1)	-	(1,762)	(121)	7		(114)	(1,876)	395	(1,481)
Balance as at 31 March 2021	48,855	17,666	1,430	69	4,433	(12)	1,771	74,212	(1,025)	132	1,702	809	75,021	22,113	97,134

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

S Sethuraman
Partner
Membership no.: 203491

Place: Chennai
Date: 27 May 2021

For and on behalf of the Board of Directors of
Rane Holdings Limited

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash flows from operating activities		
Loss for the year	(6,035)	(1,047)
Adjustments for:		
Income tax expense recognised in profit or loss	2,901	48
Depreciation and amortisation expense	12,036	12,777
Net loss / (gain) on disposal of property, plant and equipment	(22)	10
Government grant income	(217)	(211)
Share of loss of joint ventures	2,734	40
Finance costs	3,971	5,103
Impairment of financial assets	122	(121)
Gain on write back of financial liabilities carried at amortised cost	(1,097)	(795)
Gain on current investments mandatorily measured at FVTPL	(14)	(57)
Exceptional items	(2,223)	197
Net foreign exchange loss	(1,064)	(2,418)
Interest income	(257)	(160)
Movements in working capital:		
(Increase) / decrease in inventories	1,544	721
(Increase) / decrease in trade receivables	(12,559)	12,157
(Increase) / decrease in other assets	496	(944)
Increase / (decrease) in trade payables	12,856	(4,498)
Increase / (decrease) in provisions	(1,048)	(99)
Increase / (decrease) in other liabilities	3,887	(260)
Cash generated from operating activities	**16,011**	**20,443**
Income taxes paid	(2,793)	(2,462)
Net cash generated from operating activities	**13,218**	**17,981**
Cash flows from investing activities		
(Payment towards purchase) / proceeds from sale of current investments (net)	(1,863)	(261)
Gain on current investments mandatorily measured at FVTPL	-	57
Dividend received from joint ventures	350	2,452
Payment towards purchase of property, plant and equipment & intangible assets	(10,242)	(14,736)
Proceeds from disposal of property, plant & equipment	2,437	101
Payment towards purchase of non-current investments	(679)	(67)
Proceeds from sale of non-current investments	232	-
Interest received	246	102
Bank balances not considered under cash & cash equivalents	(109)	-
Net cash used in investing activities	**(9,628)**	**(12,352)**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31 March 2021	As at 31 March 2020
Cash flows from financing activities		
Proceeds from long-term borrowings	16,696	18,541
Repayment of long-term borrowings	(12,513)	(9,859)
Proceeds from short-term borrowings	28,734	23
Repayment of short-term borrowings	(30,109)	(3,104)
Dividends paid to shareholders	(571)	(2,514)
Dividends paid to non-controlling interest	(465)	(1,196)
Interest paid	(3,498)	(5,153)
Payment of lease liabilities	(335)	-
Acquisition of NCI by subsidiaries through buy-back	(1,494)	-
Net cash used in financing activities	**(3,555)**	**(3,262)**
Net increase in cash & cash equivalents	**35**	**2,367**
Cash and cash equivalents at the beginning of the year	5,887	3,520
Cash and cash equivalents at the end of the year	**5,922**	**5,887**

See accompanying notes forming part of the consolidated financial statements

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

Summary of significant accounting policies, critical judgements and key estimates

1 Corporate Information

Rane Holdings Limited ("RHL" or "the Company") holds strategic investments in subsidiaries (collectively called "the Group") and joint ventures, that are primarily engaged in manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Company is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

2 Significant accounting policies

1. Statement of compliance and basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to the existing accounting standard requires a change in the accounting policy hitherto in use.

2. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including forward contracts)	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligations less fair value of plan assets
Certain investments	Fair value

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Principles 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.

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 2021.

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 consolidates the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment.

b. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

c. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

d. Equity accounted investees

The Group's interests in equity accounted investees comprise interests in joint ventures.

A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which joint control ceases.

5. Use of estimates and Judgements

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, 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, judgement 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.

5.1 Judgements

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is included in the following notes;

- Note 6 - Impairment testing for goodwill

5.2 Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows;

5.2.1 Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Further details are given in note 48.

5.2.2 Impairment test of non-financial assets (Goodwill)

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) is determined to be the fair value less costs to sell in respect goodwill allocated to CGU's represented by the quoted market prices of the underlying listed investment and in the case of others, it is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections and involves judgements. Further details are given in note 6

5.2.3 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantively enacted. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely expected outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available. Further details are given in note 16, 38 and 42.

5.2.4 Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

involves making assumptions about discount rates, 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 39.

5.3 Estimation of uncertainties relating to the global health pandemic from COVID-19

COVID-19 pandemic has rapidly spread throughout the world, including India. Governments have taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions on activities. Consequently, the Group's manufacturing plants and offices had to be closed down / operate under restrictions for a period of time during the year. These measures have an impact on matters relating to commodity prices, supply chain matters, customer demand, personnel available for work and for being available to access offices etc.

The Group has considered the possible effects that may result from the continued effect of the pandemic on the carrying amounts of assets (net of impairment losses), capital and financial resources, profitability, liquidity position, internal financial controls etc. In developing the assumptions relating to the possible future uncertainties, the Group, as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements dependent on circumstances that evolve in the future. The Group will continue to closely monitor any material changes to future economic conditions.

6. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)."

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

7. Financial Instruments

i. Initial recognition

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (except trade receivables and contract asset) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Trade receivables and contract assets are measured at transaction price as per Ind AS 115.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;

- FVOCI – debt investment;

- Fair value through OCI – equity investment; or

- Fair value through profit and loss

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, see Note 2(7)(v) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021
(All amounts are in INR lakhs unless otherwise stated)

Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. However, see Note 2(7)(v) for derivatives designated as hedging instruments.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative Financial instruments and Hedge Accounting

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is

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sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

8. Property, plant and equipment

Items of property, plant and equipment are carried at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses, if any. The cost 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 is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

Capital work-in-progress: Assets which are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest (in case of qualifying assets).

Depreciation on property, plant and equipment has been provided on the straight-line method on the basis of estimated useful life determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The useful lives of the assets are as below:

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	30 years
Plant and equipment	3 - 15 years	15 years
Vehicles	5 years	8 years
Furniture and fixtures	5 years	10 years
Office equipment (including computers)	3 years and 3 to 6 years (for computers)	8 years and 3 to 6 years (for computers)

Freehold land is not depreciated. Leasehold improvements has been depreciated over the lease period or five years whichever is lower.

Depreciation method, useful lives and residual values are reviewed at the end of each financial year.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

9. Investment property

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

10.1 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised.

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10.2 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 is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in which the expenditure is incurred. The amortisation expense on intangible assets is recognised in the statement of profit and 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.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Intangible assets are amortised using straight-line method over their estimated useful life as follows:

Asset	Useful life
License fee on software	5 years or license period whichever is lower
Technical know how	3 years
Customer relationships	4 years

11. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale in its present condition rather than through continuing use and are measured at the lower of carrying amount and fair value less costs to sell.

Once classified as held-for-sale, property, plant and equipment, intangible assets and investment properties are no longer depreciated or amortised.

12. Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes

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both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

ii. **Impairment of property, plant and equipment and intangible assets including goodwill**

At the end of each reporting period, the group reviews the carrying amounts of its property, plant and equipment 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. 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.

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 (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

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

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.

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. An impairment loss in respect of goodwill is not subsequently reversed.

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13. 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 statement of profit and loss 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 are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. 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.

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

14. Leases

The Group's lease asset classes primarily consist of leases for land, buildings, plant and equipment, office equipment, vehicles etc. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (i) the contract involves the use of an identified asset (ii) the group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the group has the right to direct the use of the asset.

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

ROU assets and lease liabilities are measured based on lease term that includes periods covered by an option to extend the lease when it is reasonably certain that they will be exercised and periods covered by an option to terminate the lease when it is reasonably certain that they will not be exercised.

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

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

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

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

15. Inventories

Inventories are valued at the lower of cost on weighted average basis and estimated net realisable value (net of allowances) after providing

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for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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

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

16. 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.

16.1 Cash flow statement

Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) 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 Group are segregated.

17. Foreign currency

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the respective entities in the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

(ii) Transactions and balances

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. 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 translated into the functional currency at the exchange rate at the reporting date.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);

- qualifying cash flow hedges to the extent that the hedges are effective."

(iii) Foreign operations

The assets and liabilities of foreign subsidiaries including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

18. Revenue recognition

The Group derives revenues primarily from various products and services related to manufacture and supply of auto components and providing technological services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers (i.e. when products are delivered to customers or when delivered to a carrier, as the case may be) at an amount that reflects the consideration that the Group expects to receive in exchange

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for those products or services. Revenue is reduced for estimated discounts and other similar allowances.

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

Other income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

19. Government grants

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

Government grants are recognised in profit 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. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the balance sheet and transferred to profit or loss on a systematic basis over the useful lives of the related assets.

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

20. Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Defined contribution plans

Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Superannuation fund

This is a defined contribution plan, where a portion of the eligible employees' salary, as per the choice exercised by the respective employees, is contributed towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). There are no further obligations for future superannuation benefits other than the annual contributions which is recognized as expense as and when due.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

21. Expenditure on Corporate Social Responsibility (CSR)

The Group accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss. An asset is recognized for the amount which is spent in excess of the requirements.

22. Research & development expenditure

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

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

23. 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. The group accounts for the provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

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24. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

a. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

-temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

25. Financial guarantee contracts

A financial 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 guarantee contracts issued by the group are initially measured at their fair values 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 115.

26. Earnings per share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional 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 additional 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

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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 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.

27. Dividend

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

28. 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 of the Group 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 segment, namely components for transportation industry.

29. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no new standards or amendments to existing standards which are applicable from 1 April 2021. However, MCA issued notifications dated 24 March 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Group in its financial statements. These amendments are applicable to the Group for the financial year starting 1 April 2021. The Group is evaluating the impact of such amendments to Schedule III on its financial statements.

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3 Property, plant and equipment & capital work-in-progress

Particulars	As at 31 March 2021	As at 31 March 2020
Property, plant and equipment		
Freehold land	11,194	11,194
Leasehold land improvement	417	148
Buildings	15,482	15,903
Plant and equipment	43,034	42,795
Furniture and fixtures	316	432
Office equipment	669	905
Vehicles	111	77
	71,223	71,454
Capital work-in-progress	3,450	5,188

Particulars	Freehold land	Leasehold land improvement	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Gross carrying amount								
Balance at 1 April 2019	11,201	186	16,972	73,601	754	2,012	235	104,961
Additions	-	44	1,793	9,322	344	595	12	12,110
Disposals	(7)	-	(14)	(1,472)	(17)	(44)	-	(1,554)
Exchange differences on translation of foreign operations	-	20	-	641	1	82	2	746
Balance at 31 March 2020	11,194	250	18,751	82,092	1,082	2,645	249	116,263
Additions	-	302	388	10,039	39	243	74	11,085
Disposals	-	-	-	(81)	(108)	(22)	-	(211)
Exchange differences on translation of foreign operations	-	(6)	-	(215)	-	-	-	(221)
Balance at 31 March 2021	11,194	546	19,139	91,835	1,013	2,866	323	126,916
Accumulated depreciation and impairment								
Balance at 1 April 2019	-	68	2,057	30,037	496	1,274	131	34,063
Depreciation expense	-	26	792	10,154	171	485	41	11,669
Disposals	-	-	(1)	(1,197)	(17)	(33)	-	(1,248)
Exchange differences on translation of foreign operations	-	8	-	303	-	14	-	325
Balance at 31 March 2020	-	102	2,848	39,297	650	1,740	172	44,809
Depreciation expense	-	30	809	9,689	149	480	40	11,197
Disposals	-	-	-	(64)	(102)	(18)	-	(184)
Exchange differences on translation of foreign operations	-	(3)	-	(121)	-	(5)	-	(129)
Balance at 31 March 2021	-	129	3,657	48,801	697	2,197	212	55,693
Net carrying amount								
As on 31 March 2020	11,194	148	15,903	42,795	432	905	77	71,454
As on 31 March 2021	11,194	417	15,482	43,034	316	669	111	71,223

Note:

3.1. In respect of REVL: Disposals include carrying value of vacant land in Medchal (Hyderabad) amounting to ₹7 lakhs classified as held for sale in the previous year. The sale has been concluded during the year (Refer note 45).

3.2. For property, plant and equipment provided as security against borrowings, Refer note 23.

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Movement in capital work-in-progress is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
As at the beginning of the year	5,188	3,339
Additions / (Capitalisations)	(1,738)	1,849
As at the end of the year	3,450	5,188

At 31 March 2021, capitalised borrowing costs related to the installation of plant and machinery amounted to ₹176 lakhs (₹38 lakhs for 31 March 2020), with a capitalisation rate of 3.3 percent.

Impairment assessment

The Group tested the assets relating to the Group's entity in the United States (Rane Light Metal Casting Inc.) for impairment. In order to carry out the above assessment, projections of future cash flows of the operating step-down subsidiary based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements depending on the circumstances that may evolve in the future.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

in percent	As at March 31, 2021	As at March 31, 2020
Discount rate	7.80% to 8.80%	8.80% to 10.00%
Terminal value growth rate	2.50%	2.50%
Budgeted revenues growth rate	22.18%	12.14%

Application of sensitivities over the above assumptions would not result in an impairment loss as at the year end.

4 Right-of-use assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Land	507	211
Buildings	99	160
Plant and equipment	166	50
Office equipment	174	147
Vehicles	154	286
Others	12	14
	1,112	868

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Particulars	Land	Buildings	Plant and Equipment	Office Equipment	Vehicles	Others	Total
Gross carrying amount							
Balance as at 1 April 2019	-	-	-	-	-		-
Recognition of right-of-use assets on account of transition to Ind AS 116	220	256	47	300	391	18	1,232
Additions	-	-	1,295	-	-	-	1,295
Exchange differences on translation of foreign operations	-	-	104	24	-	-	128
Balance as at 31 March 2020	**220**	**256**	**1,446**	**324**	**391**	**18**	**2,655**
Additions	316	95	202	73	-	-	686
Disposals	-	(168)	(1,425)	(7)	(46)	-	(1,646)
Exchange differences on translation of foreign operations	-	-	(20)	(19)	-	-	(39)
Balance as at 31 March 2021	536	183	203	371	345	18	1,656
Accumulated depreciation and impairment							
Balance as at 1 April 2019	-	-	-	-	-	-	-
Depreciation expense	9	96	125	161	105	4	500
Transfer from property, plant and equipment	-	-	1,170	-	-	-	1,170
Exchange differences on translation of foreign operations	-	-	101	16	-	-	117
Balance as at 31 March 2020	**9**	**96**	**1,396**	**177**	**105**	**4**	**1,787**
Depreciation expense	20	54	52	77	107	2	312
Disposals	-	(66)	(1,438)	(7)	(21)	-	(1,532)
Exchange differences on translation of foreign operations	-	-	27	(50)	-	-	(23)
Balance as at 31 March 2021	29	84	37	197	191	6	544
Net carrying amount							
As on 31 March 2020	**211**	**160**	**50**	**147**	**286**	**14**	**868**
As on 31 March 2021	507	99	166	174	154	12	1,112

Also refer note 44 for additional information about leases.

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5 Investment property

Particulars	Land
Gross carrying amount	
Balance as at 1 April 2019	31
Additions	-
Disposals	-
Balance as at 31 March 2020	31
Additions	
Disposals	
Balance as at 31 March 2021	31
Accumulated depreciation	
Balance as at 1 April 2019	-
Additions	-
Disposals	-
Balance as at 31 March 2020	-
Additions	-
Disposals	-
Balance as at 31 March 2021	-
Net carrying amount	
As on 31 March 2020	31
As on 31 March 2021	31

Note: Investment property pertains to land held by REVL, with an intention to hold it for long-term capital appreciation purpose.

Fair value of the Company's investment property:

Particulars	Level 3	
	March 31, 2021	March 31, 2020
Fair value	54	54

6 Goodwill

Particulars	As at March 31, 2021	As at March 31, 2020
Cost	7,395	7,395
Accumulated impairment losses	(196)	(196)
	7,199	7,199

Particulars	Amount
Cost	
Balance at 1 April 2019	7,395
Additions	-
Disposals	-
Balance at 31 March 2020	7,395
Additions	-
Disposals	-
Balance at 31 March 2021	7,395
Accumulated impairment losses	
Balance at 1 April 2019	-
Impairment losses recognised during the year	196
Balance at 31 March 2020	196
Impairment losses recognised during the year	-
Balance at 31 March 2021	196

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For impairment testing the carrying amount of goodwill was allocated to cash generating units as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Rane (Madras) Limited ('RML')	2,844	2,844
Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.)	-	-
Rane Engine Valve Limited ('REVL')	3,874	3,874
Rane Brake Lining Limited ('RBL')	114	114
Rane Holdings Europe GmbH	2	2
Rane t4u Private Limited	365	365
	7,199	7,199

6.1 Impairment tests for goodwill

The Group 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 to sell in respect of goodwill allocated to CGUs represented by the quoted market prices of the underlying listed investment (being RML, REVL, RBL) using Level 1 inputs. The key level 1 input is the closing market value of each of these CGUs. Goodwill allocated to Rane Holdings Europe GmbH CGU and Rane t4u Private Limited CGU was not significant in comparison to the total carrying value of Goodwill.

Based on the assessment, management has concluded that there is no impairment for Goodwill as at 31 March 2021.

7 Other intangible assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Software licence	561	896
Technical-know how	-	113
Customer relationship	7	14
	568	1,023

Particulars	Software license	Technical know-how	Customer relationship	Total
Gross carrying amount				
Balance as at 1 April 2019	2,118	440	50	2,608
Additions	65	-	-	65
Disposals	-	-	-	-
Balance as at 31 March 2020	2,183	440	50	2,673
Additions	64	-	8	72
Disposals	-	-	-	-
Balance as at 31 March 2021	2,247	440	58	2,745
Accumulated depreciation and impairment				
Balance as at 1 April 2019	826	192	24	1,042
Amortisation expense	461	135	12	608
Disposals	-	-	-	-
Balance as at 31 March 2020	1,287	327	36	1,650
Amortisation expense	399	113	15	527
Disposals	-	-	-	-
Balance as at 31 March 2021	1,686	440	51	2,177
Net carrying amount				
As on 31 March 2020	896	113	14	1,023
As on 31 March 2021	561	-	7	568

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8 Intangible assets under development

Particulars	As at March 31, 2021	As at March 31, 2020
Intangible assets under development	-	3

9 Investments accounted for using equity method

Particulars	As at March 31, 2021	As at March 31, 2020
Rane TRW Steering Systems Private Limited	21,672	20,783
[43,69,123 (31 March 2020: 43,69,123) shares of ₹10 each]		
Rane NSK Steering Systems Private Limited	9,311	13,294
[87,71,000 (31 March 2020: 87,71,000) shares of ₹10 each]		
	30,983	34,077

Rane TRW Steering Systems Private Limited and Rane NSK Steering Systems Private Limited are joint ventures in which the group has joint control with 50% and 49% ownership respectively.

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.

The following table summarises the financial information of the joint venture companies and the carrying amount of group's interest in the joint venture companies:

Particulars	31-Mar-21		31-Mar-20	
	Rane TRW Steering Systems Private Limited - (RTSS)	Rane NSK Steering Systems Private Limited - (RNSS)	Rane TRW Steering Systems Private Limited - (RTSS)	Rane NSK Steering Systems Private Limited - (RNSS)
Percentage ownership interest	50%	49%	50%	49%
Non-current assets	36,983	37,060	36,048	29,547
Current assets	55,499	32,675	43,345	21,249
Non-current liabilities	(4,718)	(9,167)	(3,707)	(7,067)
Current liabilities	(48,503)	(43,741)	(38,202)	(18,773)
Net assets	39,261	16,827	37,484	24,956
Group's share of net assets	19,631	8,246	18,742	12,229
Add: Goodwill	2,041	1,065	2,041	1,065
Carrying amount of interest in joint venture	21,672	9,311	20,783	13,294
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	2,850	1,247	698	1,827
Current financial liabilities (excluding trade and other payables and provisions)	19,752	14,675	12,608	3,695
Non-current financial liabilities (excluding trade and other payables and provisions)	4,388	1,053	3,167	2,689

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Particulars	31-Mar-21		31-Mar-20	
	Rane TRW Steering Systems Private Limited - (RTSS)	Rane NSK Steering Systems Private Limited - (RNSS)	Rane TRW Steering Systems Private Limited - (RTSS)	Rane NSK Steering Systems Private Limited - (RNSS)
Percentage ownership interest	50%	49%	50%	49%
Revenue	103,478	107,588	113,205	114,605
Interest income	21	30	12	142
Finance costs	699	830	953	641
Depreciation and amortisation	4,681	4,522	4,135	4,923
Income tax expense	835	(4,111)	1,005	(1,536)
Profit / (loss) for the year	2,495	(8,125)	3,319	(2,959)
Other comprehensive income	(18)	(3)	(211)	6
Total comprehensive income	**2,477**	**(8,128)**	**3,108**	**(2,953)**
Group's share of profit / (loss) for the year (refer note 9.1)	1,247	(3,981)	2,162	(2,202)
Group's share of other comprehensive income	(9)	(2)	(106)	3
Group's share of total comprehensive income	**1,238**	**(3,983)**	**2,056**	**(2,199)**
The Group had received dividend amounting to ₹350 lakhs (31 March 2020: ₹961 lakhs) from RTSS and ₹ Nil (31 March 2020: ₹1,491 lakhs) from RNSS.				
Commitments and contingent liabilities in respect of joint ventures				
Commitments				
Share of capital commitment	390	262	388	48
Contingent liabilities				
Share of contingent liabilities	1,031	1,154	834	1,306

Note 9.1: Share of profit / (loss) of Joint Ventures disclosed in the consolidated financial statements includes the Group's share of exceptional expenditure recorded by Rane NSK Steering Systems Private Limited ('RNSS'), a joint venture company, for year ended 31 March 2021 amounting to ₹8,678 lakhs (31 March 2020: ₹5,123 lakhs). This exceptional expenditure was incurred by RNSS towards incremental warranty claims with respect to certain specific lots of products sold by RNSS to one of its customers. These amounts have been determined by the management of RNSS based on technical estimates.

10 Non-current investments

Particulars	As at March 31, 2021	As at March 31, 2020
<u>Unquoted investments:</u>		
A. <u>Investments in equity instruments (fully paid-up) at FVTPL</u>		
Clean Wind Power (Manvi) Private Limited	4	5
[43,200 (31 March 2020: 43,200) shares of ₹10 each]		
Capsol Energy Private Limited	210	210
[21,00,000 (31 March 2020: 21,00,000) shares of ₹10 each]		
CWRE Wind Power Private Limited		
[947 (31 March 2020: 947) shares of ₹10 each]	0.09	0.09
B. <u>Investments in Equity instruments at FVOCI:</u>		
AutoTech Fund I, L.P (refer note 10.1)	4,452	2,195
	4,666	**2,410**
Aggregate carrying value of unquoted investments	4,666	2,410
Aggregate amount of impairment in value of investments	-	-

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10.1. Investments in Equity instruments at FVOCI:

The Group designated the investments shown below as equity investments at FVOCI because these equity instruments represent investments that the Group intends to hold for long-term for strategic purposes.

Particulars	Fair value at March 31, 2021	Dividend recognised during the year 2020-21	Fair value at March 31, 2020	Dividend recognised during the year 2019-20
Investment in AutoTech Fund I, L.P	4,452	-	2,195	-

During the year ended 31 March 2021, the Group had invested an amount of ₹680 lakhs in AutoTech towards its share of capital contribution as one of the limited partners in the fund. During the current year, the Group has received an amount of ₹232 lakhs from AutoTech towards its share of distribution of capital arising as a result of sale of investments held by AutoTech in some of the portfolio companies. The said amount has been reduced from the cost of investments.

11 Current investments

Particulars	As at March 31, 2021			As at March 31, 2020		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
Unquoted investments						
Investment in mutual fund - mandatorily measured at FVTPL						
- Aditya Birla Sun Life Liquid Fund - Growth	329	33,924	112	318	82,051	261
- Nippon India Liquid Fund - Growth	4,997	2,981	149	4,823	3,224	155
- SBI Mutual Fund - Growth	3,203	371	12	-	-	-
- HDFC Liquid Fund - Regular plan - Growth	4,018	50,281	2,020	-	-	-
			2,293			**416**
Aggregate value of unquoted investments			2,293			416
Aggregate market value of unquoted investments			2,293			416
Aggregate amount of impairment in value of investments			-			-

12 Loans

Particulars	Non-current as at		Current as at	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good				
Loans to employees	-	-	46	51
			46	**51**

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13 Other financial assets

Particulars	Non-current as at		Current as at	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good				
Security and other deposits	2,290	2,795	68	76
Interest receivable	-	-	111	140
Insurance and other claims	901	1,012	60	143
Tooling related receivables	3,699	2,692	-	-
Derivative assets	191	-	45	-
Margin money deposits	231	233	12	12
Advance recoverable in cash	-	-	28	29
Export incentive receivables	-	-	683	564
Unbilled revenue	-	-	23	26
Other receivable	2	3	6	6
Total	7,314	6,735	1,036	996

Note:
Margin money with banks includes restricted cash deposits provided as collateral for bank guarantees and borrowings.

14 Income tax assets (net)

Particulars	Non-current as at		Current as at	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Advance Income-tax (net of provision for taxation)	3,207	3,567	-	-
Total	3,207	3,567	-	-

15 Other assets

Particulars	Non-current as at		Current as at	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Unsecured and considered good				
Prepaid expenses	338	-	1,152	1,162
Capital advances	1,807	2,360	-	-
Balance with statutory/government authorities	846	507	1,180	1,702
Security deposits	1	21	-	-
Advances to suppliers	-	-	1,789	590
Advances to employees	-	-	98	124
Export entitlements	-	-	259	366
Assets relating to employee benefits - Gratuity (refer note 39)	-	-	15	-
Others	404	628	455	360
Total	3,396	3,516	4,948	4,304

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16 Deferred tax assets / (liabilities)

Particulars	As at 31 March 2021	As at 31 March 2020
Deferred tax assets (net)	3,718	3,234
Deferred tax liabilities (net)	(1,078)	(352)

Deferred tax assets (net) - 2020-21

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
Deferred tax assets					
Employee benefits / Expenses deductible on payment basis	652	128	(13)	-	767
MAT credit	395	-	-	-	395
Tax losses carried forward	1,963	198	-	-	2,161
Loss allowance on trade receivables	154	(54)	-	-	100
Property, plant and equipment	61	233	-	-	294
Cash flow hedges	7	-	-	(7)	-
Others	2	(1)	-	-	1
Deferred tax assets	**3,234**	**504**	**(13)**	**(7)**	**3,718**

Deferred tax liabilities (net) - 2020-21

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
Deferred tax assets					
Employee benefits / Expenses deductible on payment basis	2,708	(786)	(44)	-	1,878
Loss allowance on trade receivables	186	(84)	-	-	102
Cash flow hedges	150	-	(150)	-	-
Others	376	-	-	(376)	-
	3,420	(870)	(194)	(376)	1,980
Deferred tax liabilities					
Fair valuation of financial instruments	(144)	53	(488)	-	(579)
Property, plant and equipment	(3,628)	1,149	-	-	(2,479)
	(3,772)	**1,202**	**(488)**	**-**	**(3,058)**
Net deferred tax assets / (liabilities)	**(352)**	**332**	**(682)**	**(376)**	**(1,078)**

Deferred tax assets (net) - 2019-20

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
Deferred tax assets					
Employee benefits / Expenses deductible on payment basis	667	(4)	(11)	-	652
Loss allowance on trade receivables	188	(34)	-	-	154
MAT credit	395	-	-	-	395
Tax losses carried forward	1,141	822	-	-	1,963
Cash flow hedges	-	-	7	-	7
Others	3	(1)	-	-	2
	2,394	**783**	**(4)**	**-**	**3,173**
Deferred tax liabilities					
Property, plant and equipment	(223)	284	-	-	61
	(223)	**284**	**-**	**-**	**61**
Net deferred tax assets / (liabilities)	**2,171**	**1,067**	**(4)**	**-**	**3,234**

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Deferred tax liabilities (net) - 2019-20

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
Deferred tax assets					
Employee benefits / Expenses deductible on payment basis	2,813	(245)	140	-	2,708
Loss allowance on trade receivables	163	23	-	-	186
Cash flow hedges	-	-	150	-	150
Others	-	376	-	-	376
	2,976	**154**	**290**	**-**	**3,420**
Deferred tax liabilities					
Fair valuation of financial instruments	(175)	51	(20)	-	(144)
Dividend distribution tax on undistributed profit	(368)	368	-	-	-
Property, plant and equipment	(3,493)	(135)	-	-	(3,628)
	(4,036)	**284**	**(20)**	**-**	**(3,772)**
Net deferred tax assets / (liabilities)	**(1,060)**	**438**	**270**	**-**	**(352)**

*Group's share of other comprehensive income pertaining to Joint Ventures amounting to ₹5 Lakhs (31 March 2020: ₹39 Lakhs) not included in the above.

Note:

16.1 In respect of REVL and Rane T4U: Considering the forecasts of future performance and resultant cash flows, the management of the subsidiary company is of the opinion that the deferred tax assets available will be realized against future taxable profits.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following tax losses of an overseas subsidiary of RML, because it is not probable that future taxable profit will be available against which such subsidiary can use the benefits therefrom.

Particulars	As at 31 March 2021		As at 31 March 2020	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses	19,863	5,363	12,321	3,327

Unrecognised deferred tax liabilities

As at 31 March 2021, deferred tax liability in respect of temporary differences related to investments in subsidiary and joint ventures has not been recognized as the Company controls the dividend policy of its subsidiaries and joint ventures i.e. the Company controls the timing of reversal of the related taxable temporary differences such that the reversal is in a tax free manner (resulting in no tax liability).

17 Inventories

Particulars	As at 31 March 2021	As at 31 March 2020
(valued at lower of cost and net realizable value)		
Raw materials and components [included goods-in-transit amounting to ₹920 Lakhs (31 March 2020: ₹627 Lakhs)]	9,983	8,584
Work-in-progress	4,166	3,525
Finished goods [included goods-in-transit amounting to ₹1,311 Lakhs (31 March 2020: ₹1,073 Lakhs)]	9,231	12,791
Stores & spares	4,566	4,567
Stock-in-trade	90	153
	28,036	**29,620**

Note:

17.1. During the year ended 31 March 2021 the Group recorded inventory write-down expenses of ₹357 lakhs

17.2. The method of valuation of inventories has been stated in Note 2.15

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18 Trade receivables

Particulars	As at 31 March 2021	As at 31 March 2020
From related parties		
Trade receivables considered good - unsecured	934	681
Trade receivable - credit impaired	-	-
	934	681
From others		
Trade receivables considered good - unsecured	47,681	35,271
Trade receivables - credit impaired	946	1,167
Less: Allowance for credit impaired (expected credit loss allowance)	(946)	(1,167)
	47,681	35,271
	48,615	35,952

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 based on: a) Past trend of outstanding receivables over a rolling period of past 24 months and b) actual amount of outstanding receivables as on the reporting date.

Movement in expected credit loss allowance	Year ended 31 March 2021	Year ended 31 March 2020
Balance at beginning of the year	1,167	1,455
Movement in statement of profit and loss (refer note 37)	(6)	(122)
Foreign exchange adjustment	(5)	5
Amount written off during the year	(210)	(171)
Balance at end of the year	946	1,167

19 a. Cash and cash equivalents

Particulars	As at 31 March 2021	As at 31 March 2020
Cash on hand	24	30
Balance with banks in		
Current accounts	1,283	2,210
EEFC account	199	407
Deposit accounts	4,600	3,240
	6,106	5,887

Reconciliation of cash and cash equivalents as per the cash flow statement to as per the Balance sheet

Particulars	As at 31 March 2021	As at 31 March 2020
Cash and cash equivalents as per Balance sheet	6,106	5,887
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(4)	-
Bank overdraft availed for cash management purposes	(180)	-
Cash and cash equivalents as above	5,922	5,887

b. Bank balances other than above

Particulars	As at 31 March 2021	As at 31 March 2020
Balances with banks in earmarked accounts		
Unclaimed dividend	102	104
Margin money accounts	112	40
Unpaid fractional shares account	1	1
	215	145

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20 Share capital

Particulars	As at 31 March 2021	As at 31 March 2020
a. Authorised share capital:		
Equity shares:		
1,50,00,000 (31 March 2020: 1,50,00,000) equity shares of ₹10 each	1,500	1,500
Preference shares:		
50,00,000 (31 March 2020: 50,00,000) preference shares of ₹10 each	500	500
b. Issued share capital:		
1,42,77,809 (31 March 2020: 1,42,77,809) equity shares of ₹10 each	1,428	1,428
c. Subscribed and paid up share capital:		
1,42,77,809 (31 March 2020: 1,42,77,809) equity shares of ₹10 each fully paid up	1,428	1,428
	1,428	1,428

20.1 Reconciliation of number of shares

Particulars	2020-21		2019-20	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹10 each fully paid up				
At the beginning and at the end of the year	14,277,809	1,428	14,277,809	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.

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

Name of the shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Fully paid up equity shares				
1. Raman T G G	1,484,056	10.39%	1,484,056	10.39%
2. Sundaram Mutual Fund	1,012,935	7.09%	713,303	5.00%

20.3 Information regarding issue of shares in the last five years

a. The Company has not issued any shares without payment being received in cash.

b. The Company has not issued any bonus shares.

c. The Company has not undertaken any buyback of shares.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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21 Other equity

Particulars	As at 31 March 2021	As at 31 March 2020
General reserve	48,855	48,200
Retained earnings	17,666	25,316
Capital redemption reserve	1,430	1,358
Capital reserve	69	69
Securities premium	4,433	4,433
Hedge reserve	132	(184)
Amalgamation adjustment account	(12)	(11)
Foreign currency translation reserve	(1,025)	(561)
Capital reserve on consolidation	1,771	1,771
Equity instruments through OCI	1,702	412
	75,021	80,803

a. General reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	48,200	40,464
Additions during the year	-	7,419
Acquisition of non-controlling interests	655	317
Balance at the end of the year	**48,855**	**48,200**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	25,316	36,993
Profit / (loss) for the year	(5,057)	(272)
Other comprehensive income	466	(651)
Acquisition of non-controlling interests	(2,488)	(627)
Payments of dividend on equity shares	(571)	(2,152)
Corporate tax on dividend	-	(556)
Transfer to general reserves	-	(7,419)
Balance at the end of the year	**17,666**	**25,316**

Retained earnings are the profits that the Company has earned till date.

Balance of retained earnings at the end of the year includes cumulative other comprehensive loss arising from remeasurement of defined benefit obligations, net of tax, amounting to ₹484 lakhs as at 31 March 2021 (31 March 2020: ₹1,180 lakhs)

The board has not declared dividend for the year ended 31 March 2021. In respect of the year ended 31 March 2020, during the year a final dividend of ₹4 per share aggregating to ₹571 lakhs was paid.

c. Capital redemption reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	1,358	1,335
Acquisition of non-controlling interests	72	23
Balance at the end of the year	**1,430**	**1,358**

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The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Group established this reserve pursuant to the redemption of preference shares issued in earlier years.

d. Capital reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning and end of the year	69	69

The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

e. Securities premium

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning and end of the year	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.

f. Hedge reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	(184)	-
Addition during the year	309	(184)
Deductions /adjustments during the year	(7)	-
Balance at the end of the year	132	(184)

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 or are included as an adjustment to the cost of the related non-financial hedged item.

g. Amalgamation adjustment account

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	(11)	(11)
Acquisition of non-controlling interests	(1)	-
Balance at the end of the year	(12)	(11)

At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes the amalgamation adjustment reserve of transferee Company.

h. Foreign currency translation reserve

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	(561)	10
Additions during the year	(343)	(571)
Acquisition of non-controlling interests	(121)	-
Balance at the end of the year	(1,025)	(561)

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Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit or loss when the net investment is disposed-off.

i. Capital reserve on consolidation

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning and end of the year	1,771	1,771

It arises when the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference should be treated as a capital reserve in the consolidated financial statements.

e. Equity instruments through OCI

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	412	74
Net gain/(loss) on FVOCI equity instruments, net of tax	1,290	338
Balance at the end of the year	1,702	412

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity. The Group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.

22 Non-controlling interests

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at beginning of year	23,044	25,421
Share of profit / (loss) for the year	(978)	(775)
Share of other comprehensive income	117	(756)
Acquisition of non-controlling interests	395	157
Payments of dividend on equity shares	(465)	(832)
Corporate tax on dividend	-	(171)
	22,113	23,044

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra-group eliminations:

For the year ended 31 March 2021

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
NCI percentage as at 31 March 2021	**45.18%**	**31.53%**	**52.43%**	**29.99%**	
Non-current assets	13,737	55,011	13,612	1,346	83,706
Current assets	16,489	48,206	24,790	206	89,691
Non-current liabilities	(6,817)	(22,967)	(694)	(453)	(30,931)
Current liabilities	(12,895)	(62,060)	(13,942)	(1,099)	(89,996)
Net assets	10,514	18,190	23,766	-	52,470
Less: Preference share subscribed by RHL	-	-	-	(2,785)	(2,785)
Net assets considered	10,514	18,190	23,766	(2,785)	49,685
Net assets attributable to NCI	**4,751**	**5,735**	**12,462**	**(835)**	**22,113**

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for the year ended 31 March 2021
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Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
NCI percentage as at 31 March 2021	**45.18%**	**31.53%**	**52.43%**	**29.99%**	
Revenue from operations	30,185	126,739	42,339	1,081	200,344
Profit	(609)	(6,113)	3,180	(752)	(4,294)
Other comprehensive income	13	417	68	16	514
Total comprehensive income	(596)	(5,696)	3,248	(736)	(3,780)
Profit allocated to NCI	**(275)**	**(2,162)**	**1,685**	**(226)**	**(978)**
Other comprehensive income allocated to NCI	**6**	**70**	**36**	**5**	**117**
Total comprehensive income allocated to NCI	**(269)**	**(2,092)**	**1,721**	**(221)**	**(861)**
Cash flows from (used in) operating activities	2,143	4,591	4,659	(218)	11,175
Cash flows from (used in) investing activities	1,657	(7,997)	(1,052)	(2)	(7,394)
Cash flows from (used in) financing activities (dividends to NCI - RBL: ₹465 Lakhs)"	(1,491)	2,106	(2,412)	219	(1,578)
Net increase (decrease) in cash and cash equivalents	**2,309**	**(1,300)**	**1,195**	**(1)**	**2,203**

For the year ended 31 March 2020

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
NCI percentage as at 31 March 2020	**45.18%**	**36.58%**	**53.41%**	**29.99%**	
Non-current assets	14,953	52,926	14,999	1,764	84,642
Current assets	15,299	39,255	20,936	530	76,020
Non-current liabilities	(4,793)	(23,716)	(373)	(487)	(29,369)
Current liabilities	(14,360)	(50,078)	(12,679)	(1,071)	(78,188)
Net assets	11,099	18,387	22,883	736	53,105
Less: Share warrants subscribed by RHL	-	(833)	-	-	(833)
Less: Preference share subscribed by RHL	-	-	-	(2,785)	(2,785)
Net assets considered	11,099	17,554	22,883	(2,049)	49,487
Net assets attributable to NCI	**5,015**	**6,422**	**12,222**	**(615)**	**23,044**

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
NCI percentage as at 31 March 2020	**45.18%**	**36.58%**	**53.41%**	**29.99%**	
Revenue from operations	35,499	127,708	47,098	1,950	212,255
Profit	(1,634)	(4,551)	3,435	(689)	(3,439)
OCI	2	(1,932)	(98)	8	(2,020)
Total comprehensive income	(1,632)	(6,483)	3,337	(681)	(5,459)
Profit allocated to NCI	**(738)**	**(1,665)**	**1,835**	**(207)**	**(775)**
OCI allocated to NCI	**1**	**(707)**	**(52)**	**2**	**(756)**
Total comprehensive income allocated to NCI	**(737)**	**(2,372)**	**1,783**	**(205)**	**(1,531)**
Cash flows from (used in) operating activities	2,799	6,918	7,342	(306)	16,753
Cash flows from (used in) investing activities	(683)	(10,252)	(3,526)	(4)	(14,465)
"Cash flows from (used in) financing activities (dividends to NCI - RBL: ₹1,196 Lakhs)"	(2,276)	3,377	(1,456)	309	(46)
Net increase (decrease) in cash and cash equivalents	**(160)**	**43**	**2,360**	**(1)**	**2,242**

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Acquisition of NCI:

During the year, the Group ownership interest in Rane (Madras) Limited changed from 63.42% to 68.48% (31 March 2020: from 61.64% to 63.42%) and in Rane Brake Linings Limited from 46.59% to 47.57% (31 March 2020: Nil). Consequent to this, amounts paid in excess of the carrying value of the NCI was recognised in equity.

23 a. Non-current borrowings

Particulars	Non-current		Current maturities (Refer Note 24)	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Term loans (at amortised cost)				
From banks				
Secured loans	22,980	21,524	7,824	8,747
Unsecured loans	1,938	3,000	300	-
From others				
Secured loans	5,791	873	582	831
Unsecured loans	406	417	127	175
	31,115	25,814	8,833	9,753
Working capital loan (at amortised cost)				
From banks				
Secured loans	-	-	3,677	-
	31,115	25,814	12,510	9,753

23 b. Current borrowings

Particulars	As at 31 March 2021	As at 31 March 2020
(Secured - at amortised cost)		
Loan repayable on demand - from bank	4,704	7,808
Other loans from banks	14,380	17,076
(Unsecured - at amortised cost)		
Loan from banks	2,884	2,003
Bill discounting	507	824
	22,475	27,711

23.1 The terms of repayment of term loans are given below

As at 31 March 2021

Secured

Particulars	Amount	Loan taken by	Terms of repayment
HDFC Bank - INR Long Term Loan	264	RML	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	505	RML	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	533	RML	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	1,249	RML	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	1,272	RML	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering moratorium announced by RBI)

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Particulars	Amount	Loan taken by	Terms of repayment
Federal Bank - INR Long Term Loan	8,500	RML	Repayable in 12 equal quarterly Instalments commencing from June 2021 with 2 years of moratorium period
Axis Bank - INR Long Term Loan	1,000	RML	Repayable in 12 equal quarterly Instalments commencing from June 2021 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	1,176	RML	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	367	RML	Repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	8,290	RML	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period
Term loan from Federal Bank Limited (Loan 1)	692	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from June 2020 with 12 months of moratorium period.
Term loan from Federal Bank Limited (Loan 2)	627	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from September 2020 with 12 months of moratorium period.
HDFC Bank Ltd - Loan 3	1,273	REVL	Repayable in 12 equal quarterly instalments commencing from October 2019.
HDFC Bank Ltd - Loan 4	1,120	REVL	Repayable in 12 equal quarterly instalments commencing from April 2022.
Federal Bank Ltd	1,696	REVL	Repayable in 14 equal quarterly instalments commencing from November 2020.
HDFC Bank Ltd (ECLGS Loan)	1,054	REVL	Repayable in 48 equal quarterly instalments commencing from April 2022.
Federal Bank Ltd (ECLGS Loans)	1,186	REVL	Repayable in 48 equal quarterly instalments commencing from April 2022.
Secured loan from banks	**30,804**		
Term loan from Tata Capital Financial Services Limited [TCFSL] on 19 December 2019 (Loan 2)	273	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 11 equal quarterly Instalments commencing from January 2020.
Term loan from Tata Capital Financial Services Limited [TCFSL] on 17 March 2020 (Loan 3)	600	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 10 equal quarterly Instalments commencing from June 2020.
Term loan from Axis Finance Limited	5,500	RHL	During the year ended 31 March 2021, the RHL has availed the Term loan of ₹ 5,500 Lakhs in multiple tranches from Axis Finance Limited. The loan is repayable in 20 unequal quarterly instalments commencing from September 2022 with 18 months of moratorium period.
Secured loan from others	**6,373**		

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Unsecured

Particulars	Amount	Loan taken by	Terms of repayment
Paycheck Protection Program Loan	1,938	RML	The principal and accrued interest are payable after 2 years from the date of the borrowing note which is 9 April 2020
Term loan from Axis Bank Limited	300	Rane t4u	Loan availed repayable in 12 monthly installments of ₹25 lakhs each commencing from April 2021. Interest is payable on monthly basis commencing from 14 August 2020
Unsecured loan from banks	**2,238**		
Term Loan from Tata Capital Financial Services Private Limited	533	Rane t4u	Loan availed ₹500 Lakhs is repayable in 33 equated monthly installments of ₹15 Lakhs each commencing from February 2018. Interest is payable on monthly basis commencing from 31 October 2017.
			Loan availed ₹200 Lakhs is repayable in 48 equated monthly installments of ₹5 Lakhs each commencing from Sep-2019. Interest is payable on monthly basis commencing from 15 December, 2018.
			Loan availed ₹200 Lakhs is repayable in 48 monthly installments of ₹4 Lakhs each commencing from November 2020. Interest is payable on monthly basis commencing from 15 December 2019
			Loan availed ₹89 Lakhs is repayable in 48 monthly installments of ₹2 Lakhs each commencing from April 2021. Interest is payable on monthly basis commencing from 15 April 2020
			Loan availed ₹100 Lakhs is repayable in 48 equated monthly installments of ₹2 Lakhs each commencing from Nov 2020. Interest is payable on monthly basis commencing from 15 December 2019.
Unsecured loan from others	**533**		

As at 31 March 2020

Secured

Particulars	Amount	Loan taken by	Terms of repayment
HDFC Bank - INR Long Term Loan	735	RML	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 years of moratorium period.
HDFC Bank - INR Long Term Loan	750	RML	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 years of moratorium period.
HDFC Bank - INR Long Term Loan	706	RML	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 years of moratorium period.
HDFC Bank - INR Long Term Loan	1,500	RML	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 years of moratorium period.
HDFC Bank - INR Long Term Loan	1,500	RML	Repayable in 10 equal quarterly instalments commencing from January 2020 with 30 months of moratorium period.
HDFC Bank - INR Long Term Loan	2,000	RML	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of moratorium period.

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Particulars	Amount	Loan taken by	Terms of repayment
HDFC Bank - INR Long Term Loan	2,545	RML	Repayable in 16 equal quarterly instalments commencing from September 2020 with 1 Year of moratorium period (after considering moratorium announced by RBI).
Federal Bank - INR Long Term Loan	7,136	RML	Repayable in 12 equal quarterly instalments commencing from June 2021 with 2 years of moratorium period.
EXIM Bank - Foreign Currency Term Loan (USD)	2,125	RML	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 years of moratorium period.
EXIM Bank - Foreign Currency Term Loan (USD)	628	RML	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 years of moratorium period.
EXIM Bank - Foreign Currency Term Loan (USD)	4,713	RML	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period.
Term from Federal Bank Limited (Loan 1)	922	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from June 2020 with 12 months of moratorium period.
Term from Federal Bank Limited (Loan 2)	671	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from September 2020 with 12 months of moratorium period.
HDFC Bank Ltd - Loan 1	125	REVL	Repayable in 12 equal quarterly instalments commencing from October 2016.
HDFC Bank Ltd - Loan 2	225	REVL	Repayable in 12 equal quarterly instalments commencing from November 2016.
HDFC Bank Ltd - Loan 3	1,496	REVL	Repayable in 12 equal quarterly instalments commencing from October 2019.
HDFC Bank Ltd - Loan 4	597	REVL	Repayable in 12 equal quarterly instalments commencing from February 2022.
Federal Bank Ltd	1,897	REVL	Repayable in 14 equal quarterly instalments commencing from November 2020.
Secured loan from banks	**30,271**		
Term loan from Tata Capital Financial Services Limited [TCFSL] on 06 September 2017 (Loan 1)	250	RHL	During the year ended 31 March 2021, the Company has repaid the loan.
Term loan from Tata Capital Financial Services Limited [TCFSL] on 19 December 2019 (Loan 2)	454	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 11 equal quarterly Instalments commencing from January 2020.
Term loan from Tata Capital Financial Services Limited [TCFSL] on 17 March 2020 (Loan 3)	1,000	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 10 equal quarterly Instalments commencing from June 2020.
Secured loan from others	**1,704**		

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Unsecured

Particulars	Amount	Loan taken by	Terms of repayment
AXIS Bank - INR Long Term Loan	3,000	RML	Repayable in single Instalment in November 2020 (after considering Moratorium announced by RBI)
Unsecured loan from banks	3,000		
Term Loan from Tata Capital Financial Services Private Limited	592	Rane t4u	Loan availed ₹500 Lakhs is repayable in 33 equated monthly installments of ₹15 Lakhs each commencing from February 2018. Interest is payable on monthly basis commencing from 31 October 2017.
			Loan availed ₹200 Lakhs is repayable in 48 equated monthly installments of ₹5 Lakhs each commencing from September 2019. Interest is payable on monthly basis commencing from 15 December 2018.
			Loan availed ₹200 Lakhs is repayable in 48 monthly installments of ₹4 Lakhs each commencing from November 2020. Interest is payable on monthly basis commencing from 15 December 2019.
			Loan availed ₹89 Lakhs is repayable in 48 monthly installments of ₹2 Lakhs each commencing from April 2021. Interest is payable on monthly basis commencing from 15 April 2020.
			Loan availed ₹100 Lakhs is repayable in 48 equated monthly installments of ₹2 Lakhs each commencing from November 2020. Interest is payable on monthly basis commencing from 15 December 2019.
Unsecured loan from others	592		

23.2 The terms of working capital secured loans is given below

As at 31 March 2021

Particulars	Amount	Loan taken by	Terms of repayment
Loan from EXIM Bank	3,677	RML	Working capital laon is repayble as bullet repament by July 2021

23.3. Summary of borrowing arrangements

1. In respect of RML:

   Secured loan

   Secured loans include loan from banks. The secured loans outstanding as at 31 March 2021 are secured by a charge created on the RML's fixed assets both present and future (excluding Velachery and Mysuru properties).

   EXIM Bank Loan is secured against all movable property, plant and equipment, current assets of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) and shares of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) held by Rane (Madras) International Holdings B.V.

   EXIM Bank loan availed by Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) during the year has been secured against an unconditional and irrevocable Standby Letter of Credit provided and by a charge created on the Rane Light Metal Castings Inc.'s fixed assets both present and future (excluding Velachery and Mysuru properties).

   As at 31 March 2021, the interest rate for INR loans range from 5.8% p.a to 6.25% p.a (31 March 2020: 8.40% p.a to 9.10% p.a); The interest rate for USD loans range from LIBOR (6 months) + 230 bps p.a to LIBOR (6 months) + 375bps p.a

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Short-term borrowings

Bill Discounting represent amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

Secured loans include cash credit, packing credit and working capital demand loan from banks. The secured loans outstanding as at 31 March 2021 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

EXIM Bank loan is secured against all movable property, plant and equipment, current assets of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) and shares of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) held by Rane (Madras) International Holdings B.V.

There is no breach of covenants relating to loan arrangements.

2. **In respect of RHL:**

The interest rate range from 5.72% p.a to 9.65% p.a (31 March 2020: 7.22% p.a to 10.75% p.a)

The term loans outstanding as at 31 March 2021 which are availed from Tata Capital Financial Services Limited and Federal Bank Limited are secured by a first Pari-passu charge created on the Company's land located at Teynampet, Chennai and loan availed from Axis Finance Limited are secured by a first charge created on the Company's land located at Perungudi, Chennai.

There is no breach of covenants relating to loan arrangements.

3. **In respect of REVL:**

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

ECLGS loans are secured as stated below:

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

Federal Bank - Security interest/charge on all movable/immovable assets created out of the ECLGS Loan. Second charge on all primary and collateral securities provided to HDFC Bank.

The interest rate for loans range from 6.50 % p.a to 8.75 % p.a (31 March 2020: 8.70 % p.a to 9.70 % p.a)

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

Bill discounting from Banks represents liability in respect of vendor financing facility availed by certain customers with recourse to REVL.

4. **In respect of Rane t4u:**

Short-term borrowings

Working Capital facilities (fund based) from HDFC Bank Limited (secured):

Secured by way of exclusive charge on the current assets of Rane t4u and comfort letter from M/s. Rane Holdings Limited (Holding Company). The cash credit facility is payable on demand as per the latest saction letter dated 10 January 2019. The total limit sanctioned in ₹6,00,00,000/- with sub limits for purchase bill discounting and bank guarantee.

The interest rate range from 7.22% p.a to 10.75% p.a (31 March 2020: 7.22% p.a to 10.75% p.a)

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23.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Short-term borrowings	Long-term borrowings (including current maturities)
Balance as at 1 April 2019	**30,761**	**26,907**
Changes from financing cash flows		
Proceeds from long term borrowings	-	18,541
Repayment of long term borrowings	-	(9,859)
Proceeds from short term borrowings	23	-
Repayment of short term borrowings	(3,104)	-
Other changes		
Others	170	(22)
Interest expense	5,014	-
Interest paid	(5,153)	-
Balance as at 31 March 2020	**27,711**	**35,567**
Changes from financing cash flows		
Proceeds from long term borrowings	-	16,696
Repayment of long term borrowings	-	(12,513)
Proceeds from short term borrowings	28,734	-
Repayment of short term borrowings	(30,109)	-
Other changes		
Others	(4,237)	3,875
Interest expense	3,874	-
Interest paid	(3,498)	-
Balance as at 31 March 2021	**22,475**	**43,625**

24 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Current maturities of term loans from banks	-	-	12,510	9,753
Interest accrued but not due on borrowings	-	-	125	201
Derivative liabilities	-	-	16	459
Security deposits	-	-	48	51
Unclaimed dividend	-	-	102	104
Employee related dues	-	-	3,325	3,181
Lease liability	899	590	239	341
Payables on purchase of property, plant and equipment	-	-	226	449
Others (refer note 24.1 & 24.2)	2	2	1,560	93
	901	592	18,151	14,632

24.1 In respect of RHL, others include an accrued 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.

24.2 In respect of RML, others includes dealer incentives and royalty payable amounting to ₹1,147 Lakhs and ₹305 Lakhs respectively as at 31 March 2021.

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25 Provisions

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Provisions for employee benefits				
Gratuity (refer note 39)	843	744	269	1,371
Leave encashment	1,880	1,751	295	431
Pension plan (refer note 39)	1,369	2,123	-	-
Others	-	-	6	6
Other provisions (refer note 25.1)				
Product warranty	-	-	1,083	742
Others	-	-	198	571
	4,092	4,618	1,851	3,121

Note 25.1 Movements in each class of provision during the financial year, are set out below:

Particulars	Product warranty		Others	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	742	855	571	552
Add: Provision made during the year	341	349	-	19
Less: Provision used against claims settled during the year	-	(462)	(373)	-
Balance at the end of the year	1,083	742	198	571

26 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Deferred income	91	248	181	185
Advances and deposits from customers	-	-	18	188
Tooling advance	1,007	214	683	217
Statutory dues	-	-	1,407	571
Unearned revenue	-	-	23	55
Others	-	-	2	3
	1,098	462	2,314	1,219

27 Current tax liabilities (Net)

Particulars	Non-current	
	As at 31 March 2021	As at 31 March 2020
Provision for tax (net of tax paid)	253	1
	253	1

28 Trade payables

Particulars	As at 31 March 2021	As at 31 March 2020
i. Total outstanding dues of micro enterprises and small enterprises	2,685	2,006
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	43,587	30,880
	46,272	32,886

The Group has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). 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. The disclosure required under Section 22 of the Act is given below:

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Particulars	As at 31 March 2021	As at 31 March 2020
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;		
- Principal	2,685	2,006
- Interest	2	1
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
- Principal	802	368
- Interest	2	1
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;		
- Principal	0.10	4
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
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.	-	-

29 Revenue from operations

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
a. **Sale of products & services**		
Sale of products	195,954	206,758
Sale of services	4,425	5,354
	200,379	212,112
b. **Other operating revenue**		
Scrap sales	1,412	1,548
Sale of raw materials	682	486
Export incentives	1,013	1,373
Others	1	5
	3,108	3,412
Total	203,487	215,524

Reconciliation of revenue from sale of products

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gross revenues	200,341	210,587
Less: Customer discount	(4,387)	(3,829)
Net revenues from sale of products	195,954	206,758

Reconciliation of revenue from sale of services

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Gross revenues	4,425	5,354
Less: Customer discount	-	-
Net revenues from sale of services	4,425	5,354

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a) **Disaggregation of the revenue information:**

The Group offers various products and services related to manufacture and supply of auto components and providing technological services for transportation industry. As per the management, the disaggregation of revenue based on geography are depicted in Note 41.

b) **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 recognized as and when the related goods are delivered to the customer/when the related services are rendered to the customer.

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

c) **Contract balances:**

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Receivables, included under trade receivables	48,615	35,952
Contract liabilities included under advance from customers	18	188
Contract liabilities included under deferred and unearned revenue	295	488

The contract liabilities primarily relate to the advance consideration received from customers for manufacturing of products.

The amount of ₹676 lakhs included in contract liabilities as at 31 March 2020 has been recognised as revenue for the year ended 31 March 2021 (31 March 2020: ₹801 lakhs).

30 Other income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest income earned on financial assets that are not designated at fair value through profit or loss		
- from bank deposits	245	336
- Income tax refund	40	4
- Others	12	15
Gain on current investments mandatorily measured at FVTPL	14	57
Net foreign exchange gain	394	1,079
Gain on write back of financial liabilities carried at amortised cost	1,097	795
Gain on sale of property, plant and equipment	22	8
Government grant income	217	211
Other non-operating income	174	371
	2,215	2,876

31 Cost of materials consumed

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening stock of raw materials	8,584	9,003
Add: Purchase of raw materials	100,285	102,108
Less: Closing stock of raw materials	9,983	8,584
Cost of materials consumed	98,886	102,527
Freight inward	2,133	1,995
Job work expenses	6,040	6,206
Total	107,059	110,728

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32 Purchase of stock-in-trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Purchase of stock-in-trade	605	847

33 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Inventories at the end of the year:		
Finished goods	9,231	12,791
Work-in-progress	4,166	3,525
Stock-in-trade	90	153
	13,487	16,469
Inventories at the beginning of the year:		
Finished goods	12,791	13,147
Work-in-progress	3,525	3,792
Stock-in-trade	153	255
	16,469	17,194
Net (increase)/decrease		
Finished goods	3,560	356
Work-in-progress	(641)	267
Stock-in-trade	63	102
	2,982	725

34 Employee benefits expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Salaries and wages	33,449	37,243
Contribution to provident and other funds (Refer note 39)	4,113	3,737
Staff welfare expenses	2,583	3,135
	40,145	44,115

35 Finance cost

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest expense on financial liabilities measured at amortised cost		
- loans	3,705	4,887
- lease liabilities	97	89
Other borrowing costs	169	127
	3,971	5,103

36 Depreciation and amortisation expense

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Depreciation of property, plant and equipment	11,197	11,669
Amortisation of intangible assets	527	608
Depreciation of right-of-use assets	312	500
	12,036	12,777

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37 Other expenses

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Consumption of stores and spares	7,408	8,113
Power & fuel	7,870	8,645
Rent	255	226
Rates & taxes	457	569
Insurance	1,526	996
Repairs and maintenance		
- Building	485	501
- Plant & equipment	4,334	4,963
- Others	1,447	1,296
Administration expenses	470	640
Director's sitting fees	11	63
Chairman emeritus & CMD commission (refer note 40)	244	342
Payment to auditors	120	158
Advertisement and sales promotion	739	255
Loss on disposal of property, plant & equipment	9	18
Net foreign exchange loss	198	40
Freight & cartage outward	3,515	3,351
Travel expenses	882	2,231
Corporate social responsibility expenditure (refer note 37.1)	256	328
Professional charges	1,670	3,092
Information systems expenses	1,216	1,116
Packing, forwarding & dispatching	6,534	5,938
Warranty and other claims	342	349
Royalty and technical fees	515	644
Impairment of financial assets	(6)	(121)
Bad debts written off	128	-
Miscellaneous expenses	902	1,114
	41,527	44,867

37.1. Corporate social responsibility

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Amount spent towards corporate social responsibility		
(i) Construction/acquisition of any asset	-	4
(ii) On purposes other than (i) above	311	324
Amount required to be spent u/s 135 of the Companies Act, 2013	252	317
Excess recognized as an asset/ (Shortfall recognized as a liability)	59	11

38 Income Taxes

Income tax recognised in profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current tax:		
In respect of current year	2,966	2,652
In respect of earlier years (refer note 38.1)	771	-
Deferred tax:		
In respect of current year	(836)	(2,604)
Income tax expense recognised in profit or loss	2,901	48

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Loss before tax	(3,134)	(999)
Income tax expense calculated at the Holding Company's tax rate of 25.168% (2019-20: 25.168%)	(789)	(251)
Differences in tax rates applicable to individual entities and impact of unrecognised deferred tax assets	2,195	1,710
Share of profit of equity accounted investee	688	10
Non deductible expense	86	20
Deductions under Chapter VI A	(13)	(6)
Tax incentives	(7)	(939)
Current tax for earlier years (refer note 38.1)	771	-
Tax exempt income	(89)	(61)
Others	59	(435)
Income tax expense recognised in profit or loss	2,901	48

Income tax recognised in other comprehensive income

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Deferred tax on remeasurement of defined benefit obligation	(52)	168
Equity investment through other comprehensive income		
i. Current tax	(48)	(33)
ii. Deferred tax	(488)	(20)
Deferred tax on impact of cash flow hedges	(150)	157
Total income tax recognised in other comprehensive income	(738)	272
Total current tax recognised in other comprehensive income	(48)	(33)
Total deferred tax recognised in other comprehensive income	(690)	305

Note:

38.1 In respect of RHL: Includes amount pertaining to pending income tax litigations for certain assessment years, which the Company has opted to settle under the Vivad Se Vishwas scheme. In view of this, the Company has created a provision of ₹733 lakhs towards income-tax in respect of earlier years.

39 Employee benefit plans

A. Defined contribution plans

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

The major defined contribution plans operated by the Group are as below:

(a) Provident fund

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

The contributions, as specified under the law, are made to the Government.

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(b) **Superannuation fund**

The Group entities in India have a superannuation plan for the benefit of its employees. The Group entities in India contribute 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 ₹1,426 (for the year ended 31 March 2020: ₹1,495 Lakhs) represents contributions payable to these plans by such entities at rates specified in the rules of the plans.

B. **Defined benefit plans:**

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

Particulars	Non-current		Current	
	As at 31 March 2021	As at 31 March 2020	As at 31 March 2021	As at 31 March 2020
Gratuity Liability	843	744	269	1,371
Gratuity asset	-	-	(15)	-
Provision for pension plan	1,369	2,123	-	-
	2,212	2,867	254	1,371

a. **Gratuity**

The Group's entities in India have 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. Some of the entities in 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 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.
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.

The following table summarises the position of assets and obligations relating to the plan:

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Present value of funded defined benefit obligation	7,012	6,770
Fair value of plan assets	5,916	4,655
Net liability arising from defined benefit obligation	1,097	2,115
Current	254	1,371
Non-current	843	744

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening defined benefit obligation	6,770	5,824
Current service cost	558	538
Interest cost	422	401
Remeasurement (gains) / losses :		
Actuarial (gains) and losses arising from changes in demographic assumptions	(154)	254
Actuarial (gains) and losses arising from changes in financial assumptions	(116)	149
Actuarial (gains) and losses arising from experience adjustments	(21)	(11)
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(447)	(388)
Closing defined benefit obligation	**7,012**	**6,770**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Opening fair value of plan assets	4,656	4,278
Interest income	199	197
Remeasurement gain / (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	54	72
Contributions from the employer	1,448	473
Benefits paid	(441)	(365)
Closing fair value of plan assets	**5,916**	**4,655**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	558	538
Net interest expense	99	79
Components of defined benefit costs recognised in profit or loss	**657**	**617**
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	(155)	253
Actuarial (gains) / losses arising from changes in financial assumptions	(67)	180
Actuarial (gains) / losses arising from experience adjustments	(22)	(11)
Components of defined benefit costs recognised in other comprehensive income	**(244)**	**422**
Total	413	1,039

*Group's share of other comprehensive income pertaining to Joint Ventures amounting to ₹15 Lakhs (31 March 2020: ₹141 Lakhs) not included in the above.

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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(iv) Risk Exposure

The Group has invested the plan assets with the insurer managed funds. The entire plan assets are managed by Life Insurance Corporation of India (LIC). The data on plan assets has not been furnished by LIC. 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.

(v) **The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	31 March 2021	31 March 2020
Discount rate(s)	4.20% to 6.91%	5.20% to 6.64%
Expected rate(s) of salary increase		
Executives and staff	4.50% to 12.00%	4.50% to 12.00%
Operators	4.50% to 12.00%	4.50% to 12.00%
Attrition rate		
Executives and staff	3.00% to 47.00%	2.00% to 47.00%
Operators	1.00% to 5.00%	1.00% to 5.00%

(vi) Sensitivity analysis

Change in assumption	31 March 2021	31 March 2020
A. Discount rate + 50 BP	4.70% to 7.41%	5.70% to 7.14%
Defined Benefit Obligation	4,345	4,252
Current service cost	293	299
B. Discount rate - 50 BP	3.70% to 6.41%	4.70% to 6.14%
Defined Benefit Obligation	4,769	4,663
Current service cost	355	358
C. Salary escalation rate +50 BP	5.00% & 12.50%	5.00% & 12.50%
Defined Benefit Obligation	4,772	4,666
Current service cost	356	359
D. Salary escalation rate -50 BP	4.00% & 11.50%	4.00% & 11.50%
Defined Benefit Obligation	4,343	4,249
Current service cost	295	301

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.

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Defined benefit liability and employer contributions

The weighted average duration of the defined obligation (range) is 2.11 to 11.20 years (31 March 2020 - 2.22 to 11.75 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2021	31 March 2020
Year 1	597	415
Year 2	563	609
Year 3	419	291
Year 4	389	305
Year 5	626	368
Next 5 Years	2,540	2,000

In respect of a US subsidiary of Rane (Madras) Limited [Rane Light Metal Casting Inc.]

A. Defined contribution plans

Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) has a 401k plan set up for its employees. The contributions payable to these plans by Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) are at rates specified in the rules of the schemes.

The total expense recognised in profit or loss of ₹114 Lakhs (for the year ended March 31, 2020: ₹73 Lakhs) represents contributions payable to these plans by LMCA at rates specified in the rules of the plans.

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 08 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. Rane Light Metal Casting Inc. 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 Labour.

Rane Light Metal Casting Inc. is exposed to various risks in providing the above pension benefit which are as follows:

Interest rate risk : The plan exposes the Rane Light Metal Casting Inc. 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).

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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 : Rane Light Metal Casting Inc. has used certain mortality and attrition assumptions in valuation of the liability. Rane Light Metal Casting Inc. is exposed to the risk of actual experience turning out to be worse compared to the assumption.

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

Particulars	2020-21	2019-20
Present value of obligations at the beginning of the year	5,014	4,126
Current service cost	60	69
Interest cost	150	159
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(47)	(54)
- Actuarial gains and losses arising from financial assumptions	(23)	434
Benefits paid	(137)	(122)
Foreign currency translation adjustment	(125)	402
Present value of obligations at the end of the year	**4,892**	**5,014**

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

Particulars	2020-21	2019-20
Fair value of plan assets at beginning of year	2,891	2,586
Interest income	87	99
Contributions from the employer	306	278
Benefits paid	(138)	(122)
Return on plan assets, excluding interest income	455	(187)
Foreign currency translation adjustment	(79)	237
Fair value of plan assets at the end of the year	3,522	2,891

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

Particulars	2020-21	2019-20
Present value of funded defined benefit obligation	4,892	5,014
Fair value of plan assets	3,522	2,891
Net liability arising from defined benefit obligation	**1,370**	**2,123**
Current	-	-
Non-current	1,370	2,123

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

Particulars	2020-21	2019-20
Current service cost	60	69
Net Interest expense	64	59
Past service cost	-	-
Components of defined benefit costs recognised in profit or loss	123	128

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Particulars	2020-21	2019-20
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	(70)	381
Return on plan assets	(455)	187
Net income / (cost) in other comprehensive income	**(525)**	**568**

Assumptions	31 March 2021	31 March 2020
Discount rate	3.08%	3.05%
Expected rate of salary increases		
Executives Managers & below / Senior Manager & above	0.00%	0.00%
Operators	0.00%	0.00%
Expected rate of attrition		
Rate of employee turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table

Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) 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

Particulars	As at 31 March 2021	As at 31 March 2020
Projected benefit obligation on current assumptions	4,892	5,014
Delta effect of +0.5% change in rate of discounting	(366)	(384)
Delta effect of -0.5% change in rate of discounting	412	387

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.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2021
Year 1	167
Year 2	177
Year 3	185
Year 4	197
Year 5	204
Next 5 Years	1,148

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40 Related party disclosures

Particulars	Name of the related party
List of related parties where control exists	
Joint ventures	Rane TRW Steering Systems Private Limited (RTSS)
	Rane NSK Steering Systems Private Limited (RNSS)
Other Related parties where transactions has taken place	
Key management personnel	Mr. L Ganesh
	Mr. Harish Lakshman
Relative of KMP	Mr. L Lakshman
	Mr. Vinay Lakshman
	Mr. Aditya Ganesh
Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
Post employment benefit plans	Rane Holdings Limited Gratuity Fund
	Rane Holdings Limited Senior Executives Superannuation Fund
	Rane Engine Valve Limited Employees Gratuity Fund
	Rane Engine Valve Limited Senior Executives Pension Fund
	Rane Brake Lining Limited Employees Gratuity Fund
	Rane Brake Lining Limited Senior Executives Pension Fund

Details of related party transactions:

Description	Joint ventures		Key management personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Transaction during the year										
Fee for services rendered										
RTSS	757	847	-	-	-	-	-	-	-	-
RNSS	534	674	-	-	-	-	-	-	-	-
Trademark fee income										
RTSS	982	1,066	-	-	-	-	-	-	-	-
RNSS	1,064	1,139	-	-	-	-	-	-	-	-
Sales										
RTSS	767	1,573	-	-	-	-	-	-	-	-
Purchases										
RTSS	303	80	-	-	-	-	-	-	-	-
RNSS	1,769	1,480	-	-	-	-	-	-	-	-
Rane Foundation	-	-	-	-	-	-	-	4	-	-
Reimbursement of expenses										
RTSS	12	3	-	-	-	-	-	-	-	-
Dividend received										
RTSS	350	961	-	-	-	-	-	-	-	-
RNSS	-	1,491	-	-	-	-	-	-	-	-

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Description	Joint ventures		Key management personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
CSR contributions to										
Rane Foundation	-	-	-	-	-	-	176	267	-	-
Advisory fee paid										
L Lakshman	-	-	-	-	100	100	-	-	-	-
Salary and other perquisites										
L Ganesh	-	-	186	164	-	-	-	-	-	-
Harish Lakshman	-	-	78	38	-	-	-	-	-	-
Aditya Ganesh	-	-	-	-	57	65	-	-	-	-
Vinay Lakshman	-	-	-	-	-	241	-	-	-	-
Commission										
L Ganesh	-	-	188	242	-	-	-	-	-	-
L Lakshman	-	-	-	-	56	100	-	-	-	-
Sitting fees	-	-	3	11	1	14	-	-	-	-
Contribution to post employment benefit plan										
Rane Holdings Limited Gratuity Fund	-	-	-	-	-	-	-	-	38	6
Rane Holdings Limited Senior Executives Superannuation Fund	-	-	-	-	-	-	-	-	19	24
Rane Engine Valve Limited Employees Gratuity Fund	-	-	-	-	-	-	-	-	82	146
Rane Engine Valve Limited Senior Executives Pension Fund	-	-	-	-	-	-	-	-	21	22
Rane Brake Lining Limited Employees Gratuity Fund	-	-	-	-	-	-	-	-	263	67
Rane Brake Lining Limited Senior Executives Pension Fund	-	-	-	-	-	-	-	-	23	26

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Details of related party balances:

Description	Joint ventures		Key management personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Balance as at 31 March										
Trade payable										
RTSS	72	16	-	-	-	-	-	-	-	-
RNSS	322	216	-	-	-	-	-	-	-	-
Commission payable										
L Ganesh	-	-	95	149	-	-	-	-	-	-
L Lakshman	-	-	-	-	3	-	-	-	-	-
Receivables										
RTSS	554	440	-	-	-	-	-	-	-	-
RNSS	380	241	-	-	-	-	-	-	-	-

Remuneration to Key Management Personnel

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Short-term benefits paid	433	430
Other long term benefits paid	19	14
Total	452	444

Note: As the future liabilities of gratuity and compensated absences are provided on an actuarial basis for the respective companies as a whole, the amounts pertaining to key managerial person is not ascertainable separately and therefore, not included above.

41 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) reviews 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 segment, namely components and technological services for transportation industry. All the manufacturing facilities are located in India and United States of America. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

Geographical information

The Group's revenue from external customers by location of operations and information about its non current assets** by location of operations are detailed below.

Particulars	Revenue from external customers		Non-current assets**	
	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
India	152,100	160,350	74,877	77,959
Rest of the world	51,387	55,174	12,102	11,323
Total	203,487	215,524	86,979	89,282

The geographical information considered for disclosure are – India and Rest of the World.

** Non-current assets are used in the operations of the Group to generate revenues both in India and outside India. Non-current assets exclude financial assets, deferred tax assets and tax assets.

Information about major customers

The group does not have any customers contributing more than 10% of the total sales.

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42 a. Contingent liabilities

Particulars	As at 31 March 2021	As at 31 March 2020
Claims against the Group not acknowledged as debts		
- Income tax matters	2,966	3,875
- Indirect tax matters	1,082	1,268
- Labour related matters	391	369
- Others - customer claim disputed by the group	73	12,139
	4,512	17,651

In respect of certain customer and other claims, based on the comprehensive technical assessment, evaluation of the current environment, based on legal advice and in the absence of any valid basis for reliably determining the extent of the Group's liability in the matter, the Group strongly believes that possibility of a material outflow of economic resources resulting from the claims as remote.

b. Commitments and guarantees

Particulars	As at 31 March 2021	As at 31 March 2020
Commitment		
a. Estimated amount of contracts remaining to be executed on capital account (net of advance)	5,274	4,019
b. Uncalled liability on investment in Auto Tech I, L.P	515	1,206
Guarantees and letter of credit		
a. Letters of credits	475	46
b. Outstanding bank gurantees	538	440

43 Earnings per share

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Profit after tax attributable to the owners	(5,057)	(272)
Weighted average number of shares - basic and diluted	14,277,809	14,277,809
Earnings per share - basic and diluted (in ₹)	(35.42)	(1.90)

44 Leases

a. Break-up of current and non-current lease liabilities :

The following are the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Current lease liabilities	239	341
Non-current lease liabilities	899	590
Total	1,138	931

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b. Movement in Lease liabilities:

The following are the movement in lease liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance as on 1 April 2020 / 2019	931	136
Additions	606	1,232
Finance costs accrued during the year	97	89
Deletions	(152)	-
Payment of lease liabilities	(335)	(539)
Effects of foreign exchange	(9)	14
Balance as on 31 March 2021 / 2020	1,138	931

c. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2021	As at 31 March 2020
Less than one year	309	366
One to five years	578	461
More than five years	1,183	549
Total	2,070	1,376

d. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows:

Particulars	As at 31 March 2020
Increase in lease liability by	1,175
Increase in right of use assets by	1,175
Increase/(decrease) in finance cost by	90
Increase/(decrease) in depreciation by	500

e. Amounts recognized in profit or loss

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Interest on lease liabilities	97	89
Expenses relating to short-term leases	255	226

f. Amounts recognized/disclosed in cash flow statement

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Total cash outflows for leases	335	677

45 Exceptional Items

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
Impairment of goodwill	-	(197)
Profit on sale of land*	2,396	-
VRS expenditure*	(173)	-
	2,223	(197)

* In respect of REVL:

45.1 Profit on sale of vacant land in Medchal (Hyderabad) amounts to ₹2,396 lakhs (net of incidental expenses).

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45.2 Voluntary Retirement Scheme (VRS) expenditure incurred in respect of employees who have opted for VRS amounts to ₹172 lakhs (31 March 2020: Nil)

46 Group Information

The group's subsidiaries, joint ventures are set out below

Companies	Country of incorporation	% of voting power held	
		As at 31 March 2021	As at 31 March 2020
a. Information about subsidiaries			
Rane (Madras) Limited - (RML)	India	68.47%	63.42%
- Rane (Madras) International Holdings B.V (RMIH) - (subsidiary of RML)	The Netherlands	100.00%	100.00%
- Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.- (subsidiary of RMIH))	The United States of America	100.00%	100.00%
Rane Engine Valve Limited - (REVL)	India	54.82%	54.82%
Rane Brake Lining Limited - (RBL)	India	47.57%	46.59%
Rane t4u Private Limited	India	70.01%	70.01%
Rane Holdings America Inc.	The United States of America	100.00%	100.00%
Rane Holdings Europe GmbH	Germany	100.00%	100.00%
b. Information about Joint ventures			
Rane TRW Steering Systems Private Limited - (RTSS)	India	50.00%	50.00%
Rane NSK Steering Systems Private Limited - (RNSS)	India	49.00%	49.00%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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47 Disclosure of additional information as required by Schedule III:

For the year ended 31 March 2021

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 other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent: Rane Holdings Limited	47.54%	46,856	-2.25%	136	72.81%	1,339	-35.15%	1,475
Subsidiaries - Indian								
(Parent's share)								
1. Rane (Madras) Limited - consolidated	12.64%	12,456	65.47%	(3,951)	18.87%	347	85.89%	(3,604)
2. Rane Engine Valve Limited	5.85%	5,763	5.53%	(334)	0.38%	7	7.79%	(327)
3. Rane Brake Lining Limited	11.47%	11,304	-24.77%	1,495	1.74%	32	-36.39%	1,527
4. Rane t4u Private Limited	0.85%	835	8.72%	(526)	0.60%	11	12.27%	(515)
Subsidiaries - Foreign								
1. Rane Holdings America Inc.	0.17%	169	-0.30%	18	-0.22%	(4)	-0.33%	14
2. Rane Holdings Europe GmbH	0.04%	40	-0.07%	4	0.05%	1	-0.12%	5
Non-controlling interests	22.44%	22,113	16.21%	(978)	6.36%	117	20.52%	(861)
Joint ventures (investment as per the equity method)								
Indian								
1. Rane TRW Steering Systems Private Limited			-20.66%	1,247	-0.49%	(9)	-29.50%	1,238
2. Rane NSK Steering Systems Private Limited			65.97%	(3,981)	-0.11%	(2)	94.92%	(3,983)
Consolidation adjustments	-0.99%	(974)	-13.84%	835	-	-	-19.90%	835
Total	100%	98,562	100%	(6,035)	100%	1,839	100%	(4,196)

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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 other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent: Rane Holdings Limited	43.65%	45,952	-485.39%	5,082	-15.52%	283	-186.87%	5,365
Subsidiaries - Indian								
(Parent's share)								
1. Rane (Madras) Limited - consolidated	11.37%	11,966	275.64%	(2,886)	67.11%	(1,224)	143.16%	(4,110)
2. Rane Engine Valve Limited	5.78%	6,084	85.58%	(896)	-0.05%	1	31.17%	(895)
3. Rane Brake Lining Limited	10.13%	10,660	-152.82%	1,600	2.52%	(46)	-54.13%	1,554
4. Rane t4u Private Limited	1.28%	1,351	46.04%	(482)	-0.38%	7	16.54%	(475)
Foreign								
1. Rane Holdings America Inc.	0.15%	156	-2.01%	21	-0.66%	12	-1.15%	33
2. Rane Holdings Europe GmbH	0.03%	35	-0.48%	5	-0.11%	2	-0.24%	7
Non-controlling interests	21.89%	23,044	74.02%	(775)	41.45%	(756)	53.33%	(1,531)
Joint ventures (investment as per the equity method)								
Indian								
1. Rane TRW Steering Systems Private Limited			-158.55%	1,660	5.81%	(106)	-54.13%	1,554
2. Rane NSK Steering Systems Private Limited			138.49%	(1,450)	-0.16%	3	50.40%	(1,447)
Consolidation adjustments	5.73%	6,027	279.47%	(2,926)	-	-	101.92%	(2,926)
Total	100%	105,275	100%	(1,047)	100%	(1,824)	100%	(2,871)

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48 Financial instruments

48.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group.

The Group's capital management is intended to create value for shareholders by achieving the long-term and short-term goals of the Group, maintain the Group as a going concern and maintain optimal capital structure.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long-term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long-term and short-term bank borrowings.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances as detailed in notes 23 and 19.a.) and total equity of the Group.

The Group monitors the capital structure on the basis of debt to equity, debt to capital employed etc. and the maturity profile of the overall debt portfolio of the Group.

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

48.2 Gearing ratio

The table below summarises net debt to equity:

Particulars	As at 31 March 2021	As at 31 March 2020
Debt *	66,100	63,278
Cash and cash equivalents	(6,106)	(5,887)
Net debt	59,994	57,391
Total Equity**	98,562	105,275
Net debt to equity ratio	0.61	0.55

*Debt is defined as long-term and short-term borrowings.
**Equity includes all capital and reserves of the Group.

48.3 Fair value measurements

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Financial instrument by category

Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial assets						
Loans	-	-	46	-	-	51
Equity investments	214	-	-	215	-	-
Investments in equity instruments	-	4,452	-	-	2,195	-
Trade receivables	-	-	48,615	-	-	35,952
Cash and cash equivalents	-	-	6,106	-	-	5,887
Bank balances other than above	-	-	215	-	-	145
Other financial assets (excluding investments)	-	-	8,114	-	-	7,731

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Particulars	As at 31 March 2021			As at 31 March 2020		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Fair value derivative hedging receivable	236	-	-	-	-	-
Mutual fund investments (mandatorily measured at FVTPL)	2,293	-	-	416	-	-
Total financial assets	2,743	4,452	63,096	631	2,195	49,766
Financial liabilities						
Borrowings	-	-	66,100	-	-	63,278
Trade payables	-	-	46,272	-	-	32,886
Lease liability	-	-	1,138	-	-	931
Derivative liability	16	-	-	459	-	-
Other financial liabilities	-	-	5,388	-	-	4,081
Total financial liabilities	16	-	118,898	459	-	101,176

The group has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities because their carrying amounts are at reasonable approximation of fair value.

48.3.1 The below table summarise the fair value hierarchy of the financial assets/liabilities:

Particulars	As at 31 March 2021	As at 31 March 2020	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets				
a. Mutual fund investments (unquoted) (mandatorily measured at FVTPL)	2,293	416	2	Fair value is determined based on Net Assets Value published by respective funds.
b. Derivative investments (forward contracts)	236	-	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
c. Investments in equity instruments measured at FVOCI	4,452	2,195	3	Fair value of the investment is determined based on the fair value of the net assets as furnished by the fund which inturn is determined using various significant unobservable inputs including the purchase price, developments concerning the investee company of the fund subsequent to acquisition, data and projections of investee company etc. The estimated fair value would increase or decrease depending upon changes to such inputs.
Total	6,981	2,611		

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Particulars	As at 31 March 2021	As at 31 March 2020	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial liabilities				
a. Fair value derivative hedging liability	16	459	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	16	459		
Net financial assets / (liabilities)	6,965	2,152		

Note: Fair value information relating to investment in equity investments measured at FVTPL are not presented as these are not material to the financial statements.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	Amount
Balance at 1 April 2019	**1,868**
Net change in fair value (unrealised)	391
(Sale) / Purchase (net)	(64)
Balance at 31 March 2020	**2,195**
Balance at 1 April 2020	2,195
Net change in fair value (unrealised)	1,809
(Sale) / Purchase (net)	448
Balance at 31 March 2021	**4,452**

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2021 and 31 March 2020.

* Fair value hierarchy (Level 1,2,3)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

48.4 Financial risk management

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk, equity price risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Group is to hedge risk of change in the foreign currency exchange rates associated with it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Group are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Group and

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its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

48.4.1 Market risk

Market risk is the risk that changes in the market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Group is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

48.5 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	In equivalent INR (Lakhs)	In Foreign Currency (Lakhs)	In equivalent INR (Lakhs)	In Foreign Currency (Lakhs)
Financial assets				
USD	13,706	188	8,427	111
EUR	1,278	15	1,235	15
GBP	52	1	41	0.44
Total	**15,036**	**204**	**9,703**	**126**
Financial liabilities				
USD	1,242	14	2,235	27
EUR	208	3	383	4
JPY	635	960	646	926
GBP	-	-	1	0.01
Total	**2,085**	**977**	**3,265**	**957**

48.5.1 Foreign currency sensitivity analysis

The Group is mainly exposed to US Dollar and EURO currencies. The following table details the group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A negative number below indicates a decrease 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 opposite impact on the profit or equity.

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Particulars	Impact on profit or loss for the year		Impact on other components of equity as at the end of the reporting period	
	Strengthening	Weakening	Strengthening	Weakening
Increase/decrease by 5%				
2020-21				
USD	(401)	401	(222)	222
EUR	(54)	54	-	-
GBP	(3)	3	-	-
JPY	32	(32)	-	-
2019-20				
USD	(201)	201	(109)	109
EUR	(43)	43	-	-
GBP	(2)	2	-	-
JPY	32	(32)	-	-

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

48.5.2 Derivative Financial Instruments

The Group 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 contracts to cover specific foreign currency payments and receipts within a specific range. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to one year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at 31 March 2021	As at 31 March 2020
Buy USD		
Less than 3 months	(36)	(248)
Later than 3 months but upto 6 months	(216)	(406)
Later than 6 months but not later than 1 year	-	-
Total	(252)	(654)
Sell USD		
Less than 3 months	638	2,749
Later than 3 months but upto 6 months	791	2,365
Later than 6 months but not later than 1 year	754	4,486
Total	2,183	9,600
Buy JPY		
Less than 3 months	(714)	608
Total	(714)	608
Buy Euro		
Less than 3 months	(91)	13
Total	(91)	13
Sell Euro		
Less than 3 months	1,586	596
Later than 3 months but upto 6 months	1,568	463
Later than 6 months but not later than 1 year	5,071	1,560
Total	8,225	2,619
Sell GBP		
Less than 3 months	34	17
Total	34	17

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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 31 March 2021 is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Balance at the beginning of the year	(184)	-
Gain/loss recognised in other comprehensive income during the year (net of tax)	309	(184)
Acquisition of non-controlling interests	7	-
Balance at the end of the year	132	(184)

48.5.3 Interest rate risk management

The Group adopts appropriate policies to ensure that the interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

If interest rate had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2021 would decrease / increase by ₹331 Lakhs (₹316 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowing.

48.6 Other price risks

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

48.6.1 Equity price sensitivity analysis

The sensitivity analysis 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 1% higher / lower, profit for the year ended 31 March 2021 would increase / decrease by ₹45 lakhs (31 March 2020: ₹22 lakh) as a result of the changes in fair value of equity investments which have been irrevocably designated at FVOCI.

48.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and cash equivalents, investments carried at cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

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.

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48.7.1 Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount of default is Nil (March 31, 2020: Nil) for investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets. The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

48.7.2 Expected credit loss for trade receivables under simplified approach

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 based on: a) Past trend of outstanding receivables over a rolling period of past 24 months and b) actual amount of outstanding receivables as on the reporting date.

48.8 Liquidity risk management

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

48.8.1 Liquidity and interest risk

The following tables detail the Group's remaining contractual maturity with agreed repayment periods. The below information has 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 at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2021

Particulars	Carrying amount	Less than 1 year	1-5 year	5 or more years	Total contractual cash flows
Borrowings	66,100	37,130	32,056	1,611	70,797
Trade payables	46,272	46,272	-	-	46,272
Other financial liabilities	5,404	5,402	2	-	5,404
Lease liability	1,138	310	578	1,183	2,071
Total	118,914	89,114	32,636	2,794	124,544

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2020

Particulars	Carrying amount	Less than 1 year	1-5 year	5 or more years	Total contractual cash flows
Borrowings	63,278	38,137	26,411	-	64,548
Trade payables	32,886	32,886	-	-	32,886
Other financial liabilities	4,540	4,540	2	-	4,542
Lease liability	931	373	468	549	1,390
Total	101,635	75,936	26,881	549	103,366

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49 Events after reporting date

The Group has evaluated subsequent events from the balance sheet date through 27 May 2021, the date on which the consolidated financial statements were authorised for issue, and determined that there are no items to disclose.

50 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 27 May 2021.

See accompanying notes forming part of the consolidated financial statements
As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

For and on behalf of the Board of Directors of
Rane Holdings Limited

S Sethuraman
Partner
Membership no.: 203491

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J.Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 March 2021

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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/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	No	No	No	No	No		No	
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.					USD 1USD = ₹73.53		EURO 1EURO = ₹86.07	
						USD	INR	EURO	INR
5.	Share capital	1,457	672	775	167	20	10	25	18
6.	Reserves & surplus	16,734	9,842	22,991	(166)	210	159	21	22
7.	Total assets	103,217	30,226	38,402	1,553	289	212	56	48
8.	Total Liabilities	85,026	19,712	14,636	1,552	59	43	9	8
9.	Investments	61	94	60	-	-	-	-	-
10.	Turnover	127,426	30,494	43,481	1,099	504	374	101	87
11.	Profit / (Loss) before taxation	(5,546)	(970)	4,694	(887)	33	25	7	6
12.	Provision for taxation	567	(361)	1,513	(135)	9	7	2	2
13.	Profit / (Loss) after taxation	(6,113)	(609)	3,181	(752)	24	18	5	4
14.	Proposed Dividend	-	-	₹25 per share	-	-	-	-	-
15.	% of shareholding	68.47%	54.82%	47.57%	70.01%	100.00%		100.00%	

For and on behalf of the Board of Directors of Rane Holdings Limited

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to 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 2021	31 March 2021
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	19,632	8,246
6. Profit / (loss) for the year		
i. Considered in consolidation	1,248	(3,981)
ii. Not considered in consolidation	1,248	(4,144)

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 of Directors of Rane Holdings Limited

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 27 May 2021

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Company Secretary

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