



# A Fresh Perspective

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### Caution regarding forward-looking statements

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



## A Fresh Perspective

*The world is changing at a rapid pace. Aided by the rapid advancements in technology, telecommunication, information technology and most significantly the new generation consumer; a new world order is fast emerging.*

In addition to the changing macro environment, Automobile, our core playground, also needs to align with a constantly moving object called today's customer who demands more. Vehicle that weighs lesser, consumes lesser energy, is easy to maneuver, offers added features and convenience and much more. Emerging socio-economic and demographic dimensions are shaping a new automobile world order. Various reports indicate of India's ascent as a global leader both in terms of market size as well as production volumes.

As one of the leading Indian automotive component suppliers to the global OEMs, we have further strengthened our value proposition despite the low growth phase of recent years. With Indian markets poised to transit into its next phase of steady growth, our decadal journey of profitable growth has got enriched with **A Fresh Perspective**.



# We are Rane Holdings

*Engaged primarily in manufacturing auto components for well over five decades, we, at Rane Group, are a preferred supplier to major OEMs in India and abroad.*

We cater to a wider section of automobile industry including Passenger Car, Light Commercial Vehicle, Medium & Heavy Commercial Vehicle, two-wheeler, three-wheeler, Multi Utility Vehicle and Farm Tractor. We operate 27 strategically located plants in India. Besides, we also command a significant business in the replacement segment.

We also have a minor non-automotive portfolio in aerospace and defence through an associate company.

Operational excellence through total quality management (TQM) remains our hallmark, aptly reflected in the three Deming Grand Prize and four Deming Prize bestowed upon our group companies.

## OUR VISION

To maintain market leadership and achieve sales of ₹ 5000 crores by 2017-18

## OUR MISSION

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

## OUR CORPORATE STRUCTURE



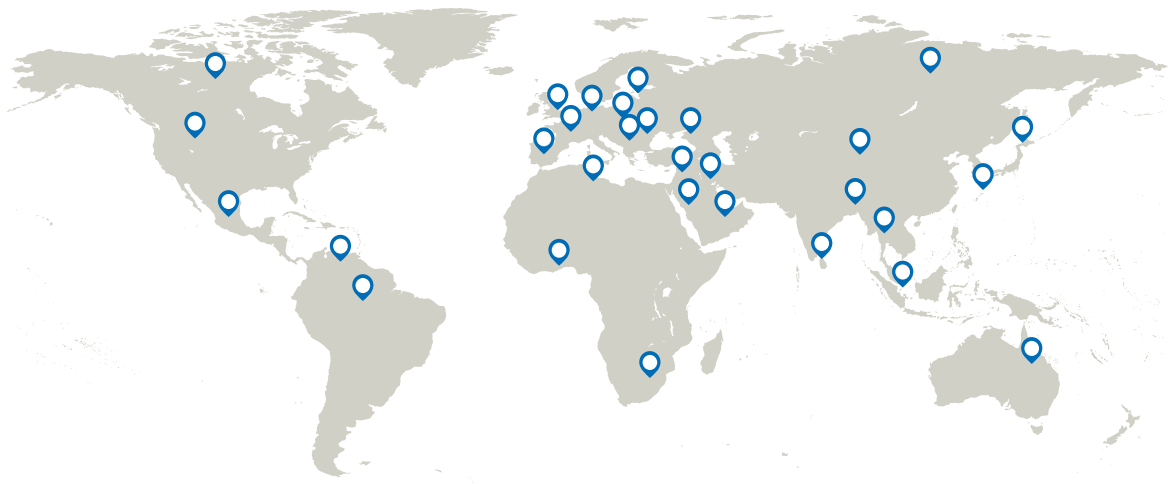
## OUR PRODUCT PORTFOLIO

Company	Products
Rane (Madras) Limited (RML)	Steering Gear Products, Suspension and Steering Linkage Products, Die Casting Products
Rane Engine Valve Limited (REVL)	Engine Valve, Valve Guides and Tappets
Rane Brake Lining Limited (RBL)	Brake Linings, Disc Pads, Clutch Facings
Rane TRW Steering Systems Private Limited (RTSS)	Hydraulic Power Steering Gear, Hydraulic Pump, Seat belts and Airbags
Rane NSK Steering Systems Private Limited (RNSS)	Manual Steering Column and Electric Power Steering
JMA Rane Marketing Limited	Automotive component trading company with a pan-India dealer network
SasMos HET Technologies Limited (SasMos)	Wiring Harness, Electro-Mechanical Assemblies Unit Integration products in the Aerospace, Defence and Marine industry sphere

## KEY CUSTOMERS

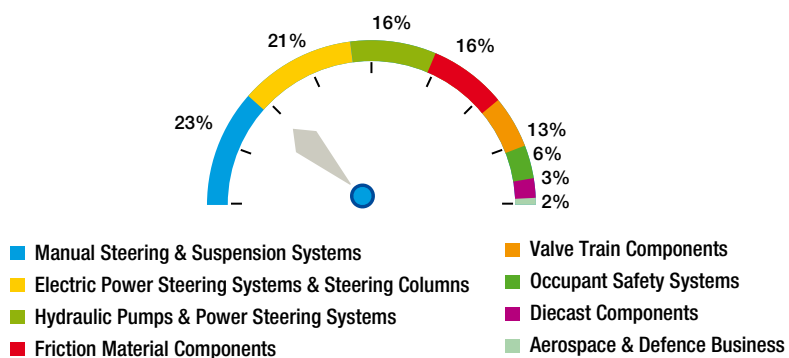
			DAIMLER		
					
					
					
					

## GLOBAL PRESENCE



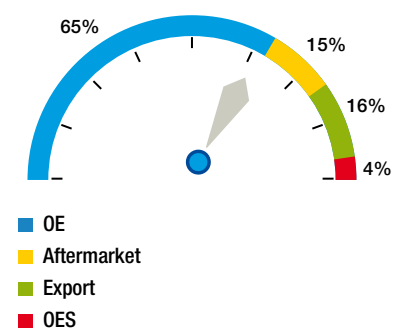
Revenue mix by product category

(FY15)



Revenue mix by user segment

(FY15)



# Financial Highlights

## RANE HOLDINGS LIMITED-STANDALONE

### Key Figures

₹ in Crore

Particulars	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Total Income	59.94	53.50	57.73	63.91	48.42	45.14	34.97	42.13	32.26
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	33.99	29.15	34.49	41.05	28.29	30.08	21.04	25.71	19.43
Profit Before Tax (PBT)	32.68	27.95	32.53	38.11	43.14	27.39	18.29	22.86	18.81
Profit After Tax (PAT)	25.92	21.73	25.95	34.25	40.03	25.13	16.30	20.90	16.87
Return on Capital Employed (ROCE) (%)	11.34	10.13	12.61	15.49	10.36	12.87	9.22	10.73	19.69
Return on Net Worth (RONW)(%)	9.38	8.24	10.32	14.54	18.54	12.86	9.05	14.76	18.82
Earnings per share (₹)	18.16	15.22	18.17	23.99	28.04	17.60	11.41	14.56	20.19
Dividend (%)	75	65	80	100	125	80	40	60	75
Book Value per share (₹)	198.25	188.75	180.81	171.50	158.35	144.04	129.78	122.37	110.89

### Balance Sheet Summary\*

₹ in Crore

Year ended as at 31 March	2015	2014	2013	2012	2011
Equity Share Capital	14.28	14.28	14.28	14.28	14.28
Shareholders' Fund	283.06	269.49	258.16	244.87	226.09
Non-current Liabilities	0.64	0.84	2.65	4.11	14.58
Current Liabilities	18.47	16.93	14.25	22.06	23.82
Non-current Assets	280.92	273.17	267.38	264.33	249.36
Current Assets	21.25	14.09	7.68	6.71	15.13

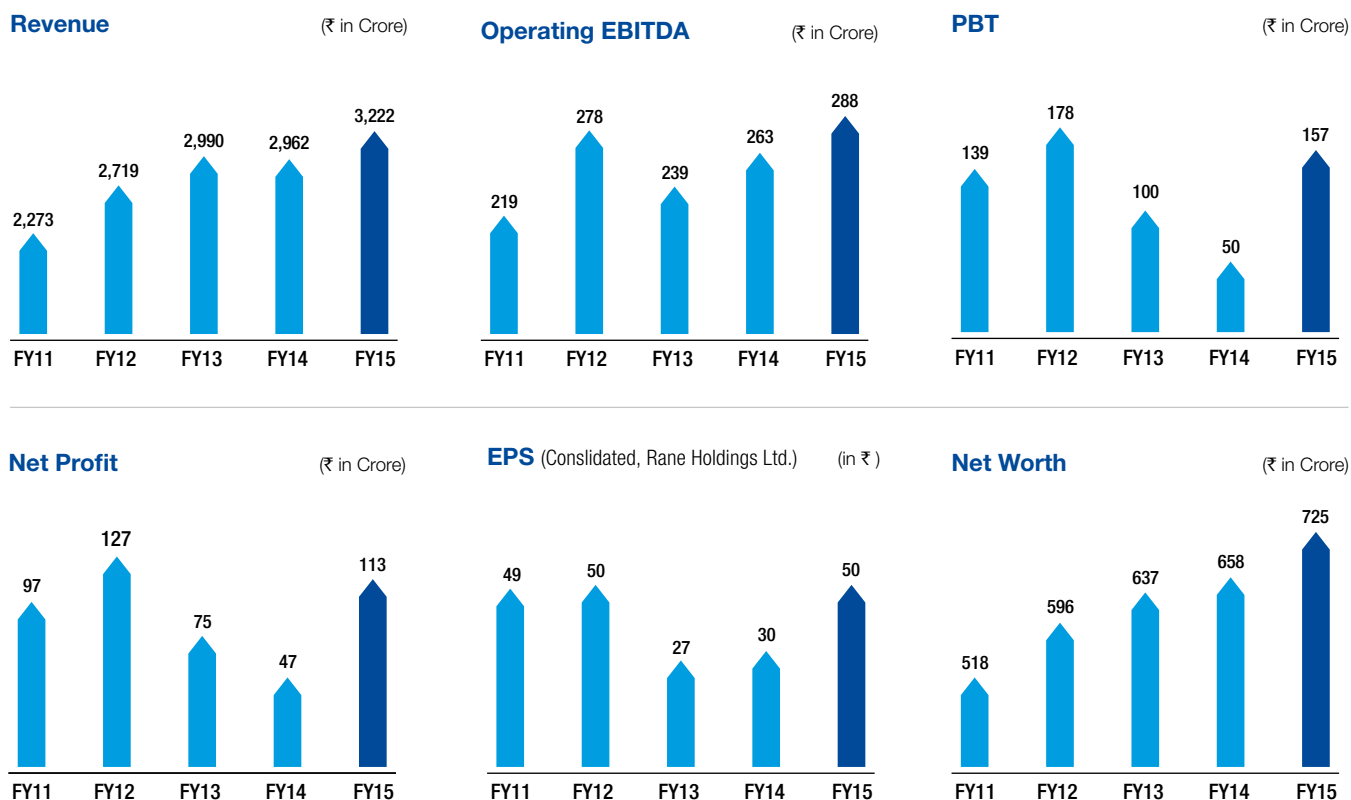
\*Pertains to revised schedule VI under Companies Act, 1956 / schedule III of Companies Act, 2013, applicable years only.

# Business Highlights

- ▶ Rane Holdings increased its shareholding in SasMos HET Technologies to 45.24%
- ▶ Merger of Kar Mobiles Ltd. with Rane Engine Valve Ltd.
- ▶ New Geographies entered during the year included Austria, Russia, Thailand and Vietnam
- ▶ Development of Rane Business Excellence Model (RBEM)
- ▶ Introduced the High Potential Leadership Development (HPLD) initiative
- ▶ The construction of new Die-cast plant in Telangana and new Hydraulic Steering facility at Mysore by Rane Madras Limited.
- ▶ New R&D facility for Rack and Pinion Steering Gears in Puducherry plant of Chennai
- ▶ Expansion of REVL's Ponneri Plant to add new capacity of 36,000 valves per day
- ▶ Rane TRW commenced exports of Seat Belts and sale of Air Bags in India

# Key Performance Indicators

**GROUP AGGREGATE**, (Except for Earnings Per Share)



## Awards

- ▶ Awards for 'Component Exports' and 'EDI Excellence' from Renault Nissan (Rane TRW)
- ▶ 'Outstanding Contribution towards Supply Chain Management under Large Scale Enterprise Category' from Volvo Eicher Commercial Vehicles Ltd (Rane NSK)
- ▶ Best Supplier Award for Delivery from Tata Motors Limited (RML)
- ▶ Quality Achievement Award from Polaris (RML)
- ▶ Gold Award from India Manufacturing Excellence Award (IMEA) conducted by the Economic Times in partnership with Frost & Sullivan (F&S) (RBL)
- ▶ ACMA Bronze Award towards manufacturing excellence (second consecutive year) (RBL)
- ▶ National Award for Energy Excellence from Confederation of Indian Industry for best energy efficient unit (RBL)
- ▶ Customer Awards - Award of Performance and Best efforts in Kanban implementation (RBL)

# Reflections from the Executive Chairman

## Dear Shareholders,

The broad-based structural reform initiated by the government has been helpful to lifting investors' sentiment. The Economic Survey for 2015 indicated of a focused shift towards investment-led growth. Increased allocation towards infrastructure segment in the Union Budget and steps taken to increase FDIs in a number of sectors such as railway infrastructure, defense and insurance have brought a lot of dynamism in the economy.

Doing business in India, however, is never perceived to be an easy task as it involves multiple challenges spanning starting a business to taxation. At 142<sup>nd</sup> position, India ranks abysmally low among the 189 nations on ease of doing business, as per the World Bank's report. Thankfully, a few initiatives are being taken to improve the environment for doing business. Initiatives such as quick approval for startup business by making e-Biz portal and access to fund for Micro, Small and Medium Enterprises (MSME) are welcome steps, however small, towards improving the business environment of the country.

Increasing investment in infrastructure sector, implementation of much needed reforms leading to improved business environment, and structurally low inflation are some of the key positives which could trigger a sustained turnaround for the Indian economy, which have underperformed in the recent years.

With the economy on the threshold of recovery, good days for automobile sector are also set to return. While expanded economic activities will raise the demand for commercial vehicle, passenger vehicle will get the boost from rising disposable income of middle class people and easing out of credit.

We, at Rane, are known for our prudent conservatism. In the testing times of the last few years, we refrained from big-ticket expansion. Instead, we stayed focused on enhancing efficiency, achieving cost rationalization and exploring new revenue sources by entering new businesses and geographies. Our inherent resilience through tough times has prepared us for the good days ahead. We are now ready to steer the company through the next level of accelerated growth. We are deploying A FRESH PERSPECTIVE towards manpower development, asset consolidation, next generation products, and adoption of business excellence model in order to achieve our vision for this decade.

On behalf of the board of directors of Rane Holdings and its group companies, I thank our stakeholders – Customers, Employees, Partners, Vendors, Investors, Governments and Communities – for their continued support and patronage.

Sincerely yours,

**L. Lakshman**

Executive Chairman







Our inherent resilience through tough times has prepared us for the good days ahead. We are now ready to steer the company through the next level of accelerated growth. We are deploying A **FRESH PERSPECTIVE** towards manpower development, asset consolidation, next generation products, and adoption of business excellence model in order to achieve our vision for this decade.

# Musings Vice Chairman Speaks

## On performance of the Indian Automobile Sector in the FY15

The Indian automobile sector showed signs of revival after a spate of two-year downturn. The sector posted overall growth of 9% during FY15, riding on an overall improved performance of all vehicle segments.

During FY15, passenger vehicle production grew by 4%, whereas total commercial vehicle production remained flat compared to the previous year. M&HCV segment recorded a growth of 21% in production volumes, primarily led by replacement demand, anticipated reforms related to mining & infrastructure sector, and increase in bus sales on the back of STU orders.

LCV production contracted by 10% due to sluggish demand arising out of excess capacity, non-availability of easy financing and higher diesel prices. Production volume of three-wheelers recorded an impressive growth of 14%, while two-wheelers grew by 10% during the year.

The overall domestic sales of automobiles grew by 7% and exports by 15%. Domestic sales of passenger vehicles, three-wheelers and two-wheelers registered a growth of 4%, 11% and 8% respectively while the commercial vehicle segment recorded a contraction of 3% in demand.

## On performance of the Indian Automotive Component Sector during FY15

The improved performance of the automobile industry had a positive impact on the automotive component sector which registered a growth of 11% during FY15, clocking turnover of ₹ 2.34 lakh crores (\$38.4 billion). The sector continued with its thrust on exports, a focus area that helped counter the domestic slowdown the last couple of years. Exports grew by 11.4% in FY15 to USD 11.2 billion from USD 10.2 billion in FY14.

OEMs account for 80% of the exports from India, reflecting the high quality and cost competitiveness of the sector. With many more global OEMs establishing their manufacturing units in India, more so with a focus on local procurement, the long term growth prospects of the Indian automotive component sector would continue to remain strong.

## On Rane's performance in FY15

Our performance, in terms of aggregate financial numbers for the group, has been quite satisfactory. Our Group Net Sales grew by 8.7% to ₹ 2921 Crore in FY15 from ₹ 2687 Crore in the previous year. Led by various efficiency enhancement measures, our operating EBITDA grew by 9.6% to reach ₹ 287 Crore from ₹ 262 Crore in FY14. Our net profit grew by 141% to ₹ 113 Crore from ₹ 47 Crore in FY14. We invested ₹ 152 Crore in FY15 for various consolidation and expansion activities. Our planned capex for FY16 stands at ₹ 207 Crore.

## On Company's outlook for FY16

The auto component industry is expected to perform well in FY16, riding on the improved domestic demand and also rising export. With US economy returning to a stable growth path and Europe too continuing a steady recovery, the export market will offer greater opportunity for us, given the additional thrust we are imparting to increase export's share in the total revenue, as a strategic part of our business vision. Our continuous focus towards enhancing efficiency and stringent cost rationalization will further improve our margin. A FRESH PERSPECTIVE towards our business will aid to realize our vision of accelerated growth with higher profitability.





L. Ganesh  
Vice Chairman



Our continuous focus towards enhancing efficiency and stringent cost rationalization will further improve our margin. A **FRESH PERSPECTIVE** towards our business will aid to realize our vision of accelerated growth with higher profitability.

# Corporate Information

## BOARD OF DIRECTORS



**Shujaat Khan**

Independent Director

**L Ganesh**

Vice Chairman

**L Lakshman**

Executive Chairman

**Anil Kumar Nehru**

Independent Director

**Sheela Bhide**

Independent Director

**Anjanikumar Choudhari**

Independent Director

**Harish Lakshman**

Non-Executive Director

## BOARD COMMITTEES

### Audit Committee

Anjanikumar Choudhari, Chairman

L Ganesh

Anil Kumar Nehru

### Stakeholders' Relationship Committee

Harish Lakshman, Chairman

L Ganesh

Anil Kumar Nehru

### Nomination & Remuneration Committee

Anjanikumar Choudhari, Chairman

Anil Kumar Nehru

Harish Lakshman

### Corporate Social Responsibility Committee

L Lakshman, Chairman

L Ganesh

Anjanikumar Choudhari

### President- Corporate Services

R Venkatanarayanan

### Executive Vice President - Secretarial & Legal

C Siva, Secretary

### Executive Vice President - Business Development

Chandran Krishnan

### General Manager - Finance & CFO

J Ananth

## EXCHANGE LISTINGS

BSE Limited, Mumbai

National Stock Exchange of India Limited, Mumbai

## STATUTORY AUDITORS

Deloitte Haskins & Sells, Chartered Accountants

'ASV N Ramana Towers', 7th Floor, Old No. 37; New No. 52

Venkatanarayana Road, T Nagar, Chennai - 600017.

## BANKERS

HDFC Bank Limited, Chennai - 600004

YES Bank Limited, Chennai - 600034

Citibank N A, Chennai - 600002

Indian Bank, Chennai - 600006

## REGISTERED OFFICE

'Maithri' 132, Cathedral Road, Chennai - 600086

Phone: +91 44 2811 2472

Fax : +91 44 2811 2449

Email: [investorservices@rane.co.in](mailto:investorservices@rane.co.in)

Website: [rane.co.in](http://rane.co.in)

## REGISTRAR AND SHARE TRANSFER AGENTS

Integrated Enterprises (India) Limited

II Floor, 'Kences Towers', No. 1 Ramakrishna Street,

North Usman Road, T. Nagar, Chennai - 600017.

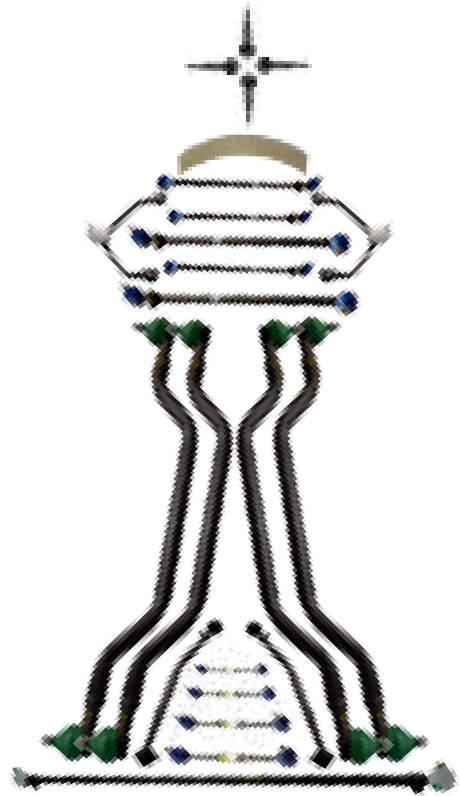
Ph: +91 44 28140801-03

Fax: + 91 44 2814249

E-mail: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

## A fresh perspective **Business Strategy**

*The recent slowdown did prompt us to redraw our long-term strategy. Adding a fresher dimension to the traditional way of internal introspection, we engaged an external consultant of global repute to assist in formulating a long term strategy.*



The key tenets of this exercise are acceleration of the growth momentum, further strengthening of exports and aftermarket segments, expansion of our non-automotive business portfolio, and an aggressive outcome-centric approach to IP creation.

Having defined the measurable aspects of our dreams, we are fast designing and starting to implement the steps across Research & Development, consolidated large-scale Manufacturing, intensified Sales & Marketing across regions and customer segments, and most importantly time bound programs in Talent & Leadership Development.

At the corporate level, we continue to consolidate our group companies. Following a merger achieved in the previous fiscal, our second initiative to merge Kar Mobiles with Rane Engine Valve Limited was also completed.

Expanding our lean manufacturing processes, we have steadily invested into robotics and technology upgradation over the last couple of years. We are now dispensing with small manufacturing units in favour of fairly large plants with a view to rationalize overheads including managerial personnel. Instead of setting up new plants, the focus is to consolidate and make the units larger. Some of our older plants are right in the heart of the city. We are gradually shifting the capacities from these units to newer plants such as Varanavasi (outskirts of Chennai), Tumkur (Karnataka) and Trichy (Tamil Nadu).

Capacity expansion was undertaken at Ponneri (REVL), Puduchery (RBL) and Bawal (RNSS).



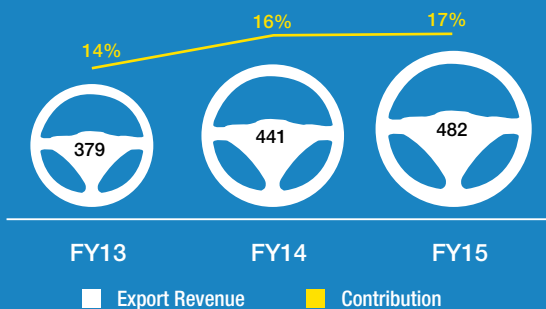
## A fresh perspective Export and Aftermarkets

*Our recent focus of widening reach and deepening engagement in export markets has progressed well with an aim to raising export segment to 20% of our group automotive revenues, we are renewing our focus on established markets of North America and Europe.*

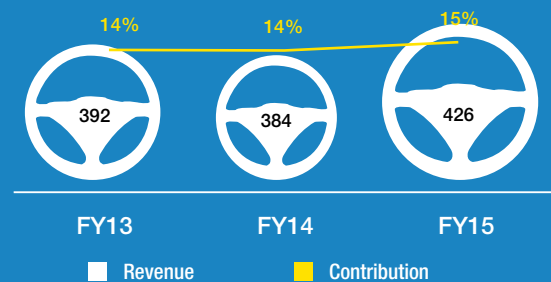


Our participation in Automotive Aftermarket Products Expo (AAPEX) has been working well for expanding our aftermarket penetration in North America.

Three-year export revenue (₹ in Crore)  
and contribution to total revenue (%)



Three-year aftermarket revenue (₹ in Crore)  
and contribution to total revenue (%)





On the other hand, we would intensify our efforts to expand and entrench into South America, building further on our recent success in Brazil, our approach is to expand our presence to a certain scale and thereafter explore to set up local manufacturing in order to cater even to North America from there. We entered into new geographies such as Austria, Russia, Thailand and Vietnam.

Our approach of exploring export markets with our existing lines of products would remain intact meaning thereby that we do not plan to develop any new product line exclusively for export markets anytime soon. Steering, engine valves, seat belts and aluminium die casting components remain the key drivers of export revenues. More than three fourth of our export volumes comes from OEMs while the remainder is from aftermarkets.

We strengthened the sales & marketing proposition of our US operations with induction of a seasoned auto-component professional as Business Development Director – North America in RHA. This appointment is in furtherance to relocating a senior experienced Rane resource from India to Detroit as Sales Manager. Equipped with deep company knowledge (India) as well as the market knowledge (North America), this duo would execute our export growth strategy in line with our long term vision.

Aftermarket, for its recession-proof nature remains an important revenue segment for us and has contributed 15% to our group automotive revenues. Our brake lining, steering parts and engine valves businesses have a strong aftermarket opportunities. To step up our share in the segment, we have further strengthened our distribution channel and also expanded our product range in the aftermarket segment.

Our participation in Automotive Aftermarket Products Expo (AAPEX) has been working well for expanding our aftermarket penetration in North America.

Domestic OE, Aftermarket revenue mix

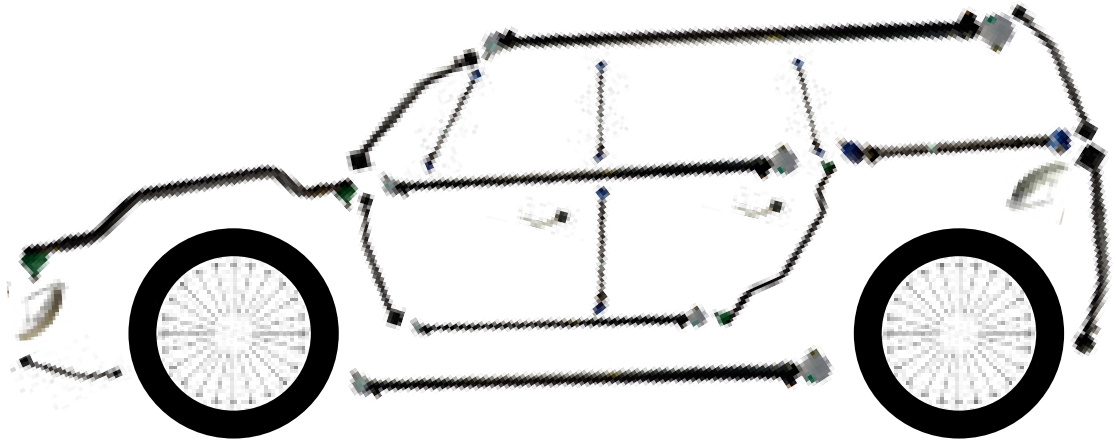


Domestic, Export revenue mix



## A fresh perspective Products Development

*Our approach to new product development remains twin-fold, the first being improvisation-based to the existing products and the second being feature-accretive next generation products.*



Intensifying our focus on the latter, our new product development efforts are skewed towards value-added variants that translate into a definite end user advantage. As we believe that continuous product improvement is the key for sustained growth in the highly competitive and evolving auto component industry, our active engagement in product innovation ensures better quality and cost effectiveness addressing our customers' requirements.

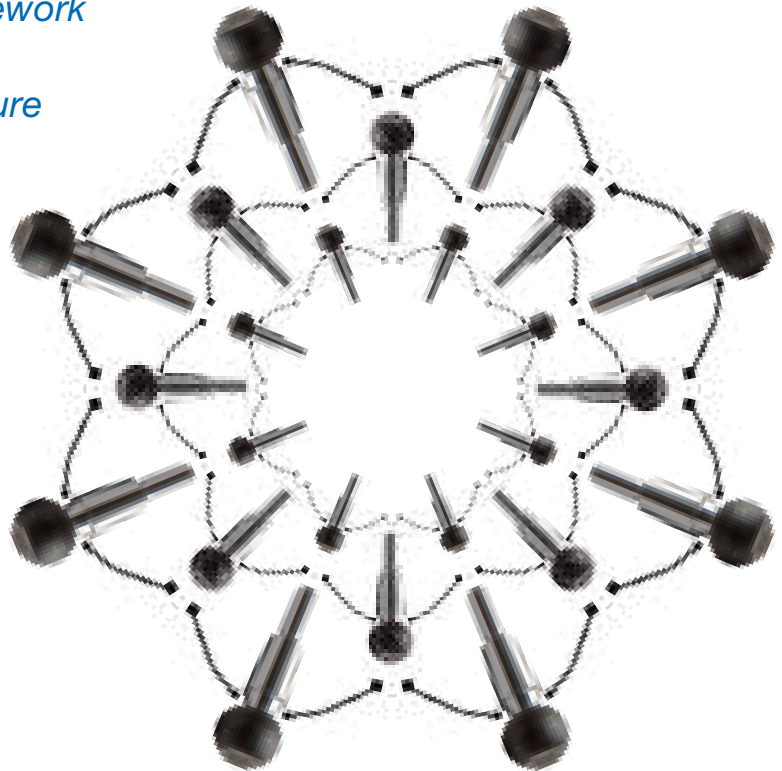
During the year, we have launched many upgraded products such as valve stem seal for two-wheeler and passenger car segments, valve seat insert for medium and heavy commercial vehicle segment, etc. Besides upgradation of existing products, we continuously look for adding new products in the portfolio. Our airbags and seatbelts are two such products which have received good response. In another instance of next generation product, our associate company SasMos did set up a state-of-the-art Centre of Excellence during the year. The facility is poised to supply space grade satellite wiring harness to Indian Space Research Organisation (ISRO).

Our commitment towards innovation has made it imperative to improve our R&D capabilities. In this endeavour, we are gradually increasing R&D expenditure. This year we have invested 1.1% in R&D, which we aim to increase to 2% of total sales by the end of this decade.



## A fresh perspective **People Power**

*We are fast aligning our HR agenda with business goals. We are revisiting our leadership competency framework in order to significantly enhance capability and capacity of our future leaders.*



The refreshed leadership development framework, designed with a horizon of three to five years, will facilitate leadership transition at different levels of the organization. During the year, a High Potential Leadership Development (HPLD) program for the middle and senior management was designed and delivered with an objective of understanding their strengths, development needs and align career aspirations with the organisational need.

Besides developing young leaders, it is an imperative for us to leverage the inherent strengths and uninhibited minds of fresh Graduate and Management Trainees joining us. During the year, we organized an open house with several of such employees to understand their needs and aspirations. Christened as Gen Y Connect, this program yielded many fresh perspectives and insights that would help us in strengthening our people strategy further.



## RANE INSTITUTE FOR EMPLOYEE DEVELOPMENT (RIED)

The RANE INSTITUTE FOR EMPLOYEE DEVELOPMENT (RIED) was setup with the objective of building core competencies through various programs and interventions.

At RIED, we initiated a career transition intervention for newly promoted Assistant Managers. The workshop focused on aspects such as mind-set shift, building perspective on appropriate knowledge and awareness of relevant skills required for the new role.

A customized two-day workshop on marketing excellence was delivered touching upon marketing strategy, understanding customers and managing them well, customer-focused innovation & growth for designing and delivering world-class services.

Besides, RIED organizes various programs on technical skill improvement, soft skill development and general management for Graduate Engineer and Management Trainees.



## A fresh perspective **Business Responsibility**

*Rane's Corporate Social Responsibility (CSR) vision is 'to be a socially and environmentally responsible corporate citizen'. The endeavor of the group is to address key societal issues and constantly strive for creating a positive impact in the community.*



The focus areas are Education, Healthcare, Environment and Community Development. In the pursuit of group's philosophy, Rane Foundation, a public charitable trust, was founded in the year 1967 that plays a significant role in identifying, implementing and monitoring CSR projects.

In FY15, we have implemented several projects primarily focusing on Education followed by Community Development and Healthcare. The key project is the support extended to Rane Polytechnic, Trichy which aims at producing skilled manpower to the industry, thereby serving the national agenda of skill development.

As part of the community development initiatives, we offered support to institutions such as Maithree and Freedom Trust that take care of children coping with mental and physical challenges, respectively. We also contributed towards Worth Trust, an institution that focuses on bringing the hearing and speech impaired people into the mainstream society to enhance their scope for education, employability and thus better livelihood.

While we eye for sustainable growth, we are also committed towards responsible business practices. The group companies constantly strive to identify opportunities to build sustainable strategies into their everyday business. The objective is to identify, implement and manage coherent initiatives throughout the value chain to transform the business into a sustainable enterprise with positive, social, environmental and economic impact. Our group companies continuously endeavor to minimize damage to the environment by conserving air, water, energy and oil resources.



## Rane Foundation

**A public charitable trust was founded in the year 1967 that plays a significant role in identifying, implementing and monitoring CSR projects.**



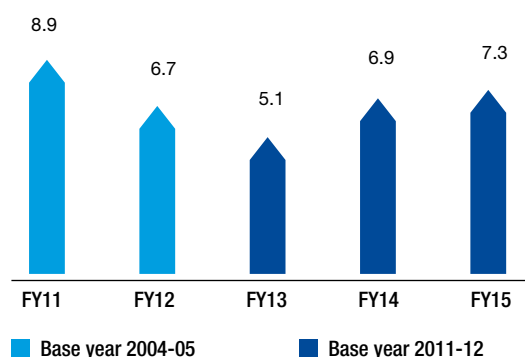


# Management Discussion and Analysis



## GDP Growth

(in %)



Source: Central Statistical Office

## ECONOMY OVERVIEW

The global economy grew by 3.4% in 2014, same as in last year as per International Monetary Fund (IMF). The outlook for 2015 remains muted at 3.5%.

The infrastructure sector received an impetus from higher budgetary allocation along with raising the FDI limit in sectors such as railways, infrastructure and defense. The new government has also taken various initiatives to improve the business environment. These policy reforms have raised investors' confidence. Consequently, GDP grew by 7.3% in FY15 compared to 6.9% in FY14 as per the CSO's (Central Statistical Office) new calculation method.

## INDIAN AUTOMOBILE INDUSTRY

The automobile sector is slowly recovering from a lull demand scenario over the last three years due to slowdown in the overall economy.

**Domestic Sales:** Total automobile sales in the year FY15 grew by 7% to 197 Lakhs units from 184 Lakhs units in FY14. Passenger vehicle segment grew by 4% to 26 Lakhs units in FY15 compared to 25 Lakhs units in the previous year.



Commercial Vehicle segment recorded 3% drop in sales to 6.14 Lakhs units from 6.32 Lakhs units sold in FY14. Three-wheeler segment posted 11% growth to 5.31 Lakhs units compared to 4.80 Lakhs units sold in FY14. Two-wheeler segment grew by 8% to 160 Lakhs units from 148 Lakhs units sold in the previous year.

### Productivity

YoY (Production figures)	2014-15	2013-14
Vehicles	YoY Change	YoY Change
Passenger Cars (PC)	5%	-5%
Utility Vehicles (MUV)	12%	-1%
Vans (MPV)	-12%	-18%
Small Commercial Vehicles (SCV)	-20%	-25%
Light Commercial Vehicles (LCV)	-4%	-4%
Medium & Heavy Commercial Vehicles (M & HCV)	21%	-21%
3-Wheelers	14%	-1%
2-Wheelers	8%	7%
Farm Tractors (FT)	-11%	27%

Source: SIAM

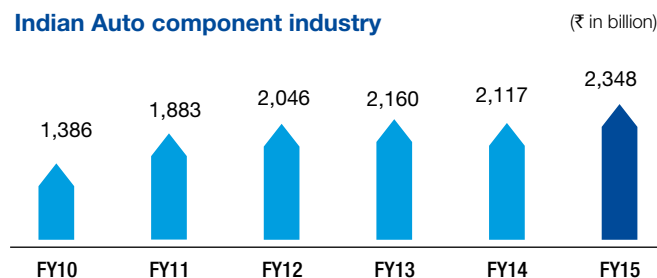
**Exports:** The export of automobiles grew by 15% in FY15 to 35 Lakhs units from 31 Lakhs units in FY14. Passenger Vehicles, Commercial Vehicles, Three-wheelers and Two-wheelers grew by 4%, 11%, 15% and 18% respectively in FY15 over the previous year FY14.

## INDIAN AUTO COMPONENT INDUSTRY



The auto component sector in India is now pegged at ₹ 2,34,800 Crore (USD38.5 billion) growing at a CAGR of 11% in the last 5 years (FY10 to FY15).

### Indian Auto component industry



Source: ACMA

## RANE HOLDINGS LIMITED (RHL)

### Overview

Rane Holdings Limited (RHL) is the holding company of the group. It has strategic investments in four subsidiary companies, three joint venture companies and one associate company. RHL earns its revenues in the form of dividend, license fees against use of Rane trademark and service fees for offering management services to the group companies.

### Operational Highlights

- ▶ Group companies continued with redeployment of facilities across plants
- ▶ Various steps taken for cost rationalization such as localization, value engineering, yield improvement projects and other strategic saving initiatives
- ▶ Entered new geographies such as Austria, Russia, Thailand and Vietnam
- ▶ Participated in Auto Mechanika at Dubai and in other events like Indo-African Reverse Buyer & Seller meet at New Delhi

### Standalone Financial Highlights

Higher dividend income and trade mark fee from group companies enabled -

- ▶ Revenue growth by 12% to ₹ 59.94 Crore from ₹ 53.50 Crore
- ▶ EBITDA growth by 17% to ₹ 33.99 Crore from ₹ 29.15 Crore
- ▶ PAT growth by 19% to ₹ 25.92 Crore from ₹ 21.73 Crore

### Consolidated Financial Highlights

- ▶ Revenue growth by 15% to ₹ 2,233.30 Crore from ₹ 1,946.05 Crore
- ▶ EBITDA growth by 12% to ₹ 243.40 Crore from ₹ 216.48 Crore
- ▶ PAT growth by 63% to ₹ 70.94 Crore from ₹ 43.44 Crore

### Outlook

The automobile segment is expected to improve in FY16 on increased economic activities, higher personal income and lower interest rate regime. A strong recovery in North America will drive the growth of export. Our group companies will benefit from these positive factors. With a focus on enhancing efficiency and cost reduction, margin will also improve. On this backdrop, the outlook is encouraging.

## RANE (MADRAS) LIMITED (RML)

Rane (Madras) Limited (RML) is a leading manufacturer of Steering Gear (SG) and Suspension and Steering Linkage Products (SSLP) for every segment of automobile industry. Rane Die Cast Limited (RDL), one of the Rane Group Companies which was merged with RML in FY14 is engaged in the manufacture of precision high pressure aluminium die casting products for the automobile industry. It holds major market share in India both in Manual steering gear & suspension systems.

### Manufacturing Facilities

Location	Products	Customer Segments
Velachery (Chennai)	SSLP, SGP	Light commercial vehicle, heavy commercial vehicle, and utility vehicle segments
Varanavasi (Chennai)	SSLP	Passenger car, utility vehicle mainly caters to exports market
Mysore	SSLP, SGP & Hydraulic Products	Tractor, commercial vehicle segments, and hydraulic products
Puducherry	SSLP, SGP	Passenger car segment
Uttarakhand	SSLP, SGP	Tractors and small commercial vehicles catering to customers in North India
Hyderabad	Die casting Products	Passenger car segment, medium and heavy commercial vehicle mainly caters to exports market

Source: SIAM

### Operational Highlights

- As part of its efforts in enhancing the engineering capability, a new R&D centre for Steering has been established in Pondicherry. This has state-of-the-art test equipment to evaluate products and help develop products to meet the field requirements



- Land procurement for second die casting plant at Sadashivpet in Sangareddy District, near Hyderabad is complete. Being close to the existing plant, this will enable rapid learning and deployment of best practices at least cost
- In its bid to grow the hydraulic business, a separate facility in Mysore has been established. This will enable both higher quality and reliability in the hydraulic products apart from helping the company being cost competitive
- Several productivity projects undertook in low cost automation, re-layout of plant and eliminating waste in the operations. This helped in containing the element of labour content in the operations and assuring a consistent quality product for the customers
- Eight new products were launched in domestic market and three in the overseas market
- Six awards were won by RML for the year out of which two awards were from customers. The awards received from customers are:
  - Best Supplier Award for Delivery from Tata Motors Limited
  - Quality Achievement Award from Polaris

### Financial Highlights

- Net sales increased by 6% to ₹ 755.32 Crore in FY15 from ₹ 709.75 Crore in FY14
- Exports grew by 14%, mainly driven by the die casting business
- EBITDA increased marginally by 1% to ₹ 69.67 Crore in FY15 from ₹ 69.16 Crore in FY14
- PAT dropped by 26% to ₹ 12.44 Crore from ₹ 16.78 Crore due to exceptional items of VRS benefit to the employees, depreciation and tax impact due to changes in statutory regulations.

### Outlook

RML will continue to expand its product portfolio and improve on existing products. The new R&D facility in Puducherry points to the commitment towards product improvement. RML will increase its presence in export markets especially in the die cast business. In the steering business, it is working closely with the clients in the new programs to regain the market share which took a dip due to demand contraction. Increasing presence in the replacement market by reaching to new geographies, improving product range and promotional activities targeting the mechanics will be the focus area.



## RANE ENGINE VALVE LIMITED (REVL)

Rane Engine Valve Limited (REVL) manufactures valves and valve train components for various engine applications in the auto industry. It has five plants equipped with modern manufacturing practices and cutting edge technology. It is the market leader in India and has Clientele spread across Europe, North America and the far Eastern markets including the best known brands such as Volkswagen, Deutz and Yamaha.

### Manufacturing Facilities

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



### Operational Highlights

- ▶ Existing Ponneri plant expanded to manufacture valves with a capacity 36,000 per day shifted from old plant
- ▶ Kar Mobile Limited (KML), one of Rane group companies and manufacturer of large engine valve was merged with REVL
- ▶ A new manufacturing facility at Tumkur plant was established to expand the portfolio of large valves
- ▶ Significant investment made to modernize and automate existing plants with robotics
- ▶ New business won from Renault, Europe and Volkswagen, Brazil

### Financial Highlights

- ▶ Net Sales grew by 50% to ₹ 387.57 Crore from ₹ 259.14 Crore (includes effects of merger)
- ▶ EBITDA grew by 6% to ₹ 33.72 Crore from ₹ 31.89 Crore.
- ▶ PAT for the year was ₹ 23.48 Crore as compared to loss of ₹ 29.09 Crore in the previous year.

### Outlook

REVL will continue with its aim to achieve productivity improvement through process automation and implementation of Lean Production System. Effort towards developing new products that complies with future emission norms and higher combustion pressure and temperature will continue.

## RANE BRAKE LINING LIMITED (RBL)

Rane Brake Lining Limited (RBL) manufactures and supplies brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks. RBL has its R&D Centre within its plant in Chennai and invests 2-3% of its revenue in R&D. It has a technical collaboration with Nisshinbo Brakes Inc, Japan for know-how in asbestos free brake linings and disc pads.

RBL continues to be market leader in OEM and Aftermarket. It has been selected as the most preferred brand in independent replacement markets as per study conducted by Frost & Sullivan in 2014. RBL caters to product segments like Passenger Cars, Multi Utility Vehicles, Multi Purpose Vehicles, Medium & Heavy Commercial Vehicles, Light Commercial Vehicles, Small Commercial Vehicles and Two-Wheelers. RBL has emerged as one of the leading and quality conscious supplier of composite brake blocks to Indian railways and an important supplier to State Transport Undertakings. RBL exports its products to various countries in Europe, SAARC, Middle East, Far East and Africa.

### Manufacturing Facilities

Location	Products
Chennai	Brake linings, disc pads & clutch facings, Composite brake blocks, Organic pads for trainer aircraft
Hyderabad	Brake linings, clutch facings & sintered clutch buttons, Composite brake blocks
Puducherry	Disc pads, clutch facings & CV brake pads, Composite brake blocks
Trichy	Disc pads & brake linings



### Operational Highlights

- ▶ Acquired new customer orders and launched new products in aftermarket with additional focus on adjacent business
- ▶ Export focus – Participated in Auto Mechanika at Dubai
- ▶ Production Capacity for Disc Pad was enhanced in Puducherry plant
- ▶ Continued with various cost saving measures such as energy saving initiatives, alternate cost effective sourcing and engineering improvement projects – cost effective machine development with productivity improvement
- ▶ Won the following awards during the year:
  - Gold award from India Manufacturing Excellence Award (IMEA) conducted by The Economic Times in partnership with Frost & Sullivan (F&S)
  - ACMA Bronze award towards manufacturing excellence (second consecutive year)
  - Various awards on quality and productivity related matters from QCFI, CII and other reputed agencies
  - National award for Energy Excellence from Confederation of Indian Industry for best energy efficient unit
  - Customer awards – Award for Performance and Best Efforts in Kanban implementation from Brakes India Ltd.

### Financial Highlights

- ▶ Net sales grew by 8% to ₹ 415.85 Crore from ₹ 383.46 Crore due to focus on new products and strategic initiatives in aftermarket.
- ▶ EBITDA grew by 12% to ₹ 47.57 Crore from ₹ 42.62 Crore due to cost reduction initiatives across various functions and reasonably stable forex.
- ▶ PAT declined by 6% to ₹ 16.11 Crore from ₹ 17.21 Crore in the previous year due to the additional depreciation impact as per new Companies Act, 2013.

### Outlook

RBL will continue to work on improving product quality, the primary requirement of the Indian consumers and reducing the NVH (noise vibration harshness) level as demanded by the OEMs. RBL will intend to offer high standard at lower cost along with high safety output, longer life and better material integrity. The Company will continue with its work towards developing disc pad for the front wheel and the rear for CVs which is an emerging trend in Europe.

Presently RBL is a dominant player in the CV and passenger vehicle segment and aims to improve its market share in the two-wheeler segment as it is a growing one.

## RANE TRW STEERING SYSTEMS PRIVATE LIMITED (RTSS)

Rane TRW Steering Systems Private Limited (RTSS) is a joint venture between Rane Group and TRW Automotive J.V., LLC, USA (TRW). It manufactures fully integrated Hydraulic Power Steering Gears, Power Rack & Pinion Steering gears, Hydraulic Pumps & Power Steering Fluid through Steering Gear Division (SGD) and Safety Seat Belts & Airbags through Occupant Safety Division (OSD).

Over the years, RTSS has established its presence in the Commercial Vehicle steering and Passenger Car steering industry. As a result, it has emerged as the preferred Original Equipment Manufacturer (OEM) partner to Indian OEM majors in Passenger Car, Multi Utility Vehicle, Light Commercial Vehicle and Medium and Heavy Commercial Vehicle categories.

### Manufacturing Facilities

Location	Products
Viralimalai (Trichy)	Hydraulic Power Steering Gears & Valves
Guduvanchery (Chennai)	Hydraulic Pumps
Guduvanchery (Chennai)	Hydraulic Power Steering Gears
Singaperumal Kovil (Chennai)	Air Bags, Seat Belts & Reservoir
Uttarakhand	Hydraulic Steering Gears & Pumps

### Operational Highlights

- ▶ Entered new export markets through customer's global programs
- ▶ Installed Driver Air Bag (DAB) and Passenger Air Bag (PAB) line for Ford application
- ▶ Introduced new technology product in Seat Belts for cost economy and efficiency
- ▶ Nominated for Renault multiple platform Inflatable Restraint System (IRS) business
- ▶ Achieved material cost reduction through localization of parts in OSD
- ▶ Constant vigil on inventory with various systematic controls viz., fixation of maximum stock levels, revisit on reorder levels and minimum order quantity have helped to reduce the inventory levels at Steering Gear Division.
- ▶ Various cost reduction initiatives such as localization of parts, weight reduction in castings & forgings and value engineering achieved in Steering Gear Division.
- ▶ Various power cost reduction initiatives such as shifts rationalization, usage of solar light poles inside plant to use the day light, replacement of sodium vapor street lights with LED lights, arrest of air leaks etc.



- ▶ Steering Gear Division received "Award for Component Exports" in June 2014 from Renault Nissan for Duster Steering Gear Exports to Europe & UK. Also Occupant Safety Division received the "EDI Excellence" award from Renault Nissan.
- ▶ Several new products were launched by the Steering Gear Division for both domestic as well as global markets.

### Financial Highlights

- ▶ Net Sales grew by 6% to ₹ 625.94 Crore from ₹ 590.05 Crore due to the positive industry growth registered in Medium & Heavy Commercial Vehicle, Utility Vehicle and Passenger Cars.
- ▶ EBITDA grew by 34% to ₹ 70.13 Crore from ₹ 52.20 Crore due to focused cost reduction initiatives, better product mix and increased volume.
- ▶ PAT grew by 44 % to ₹ 28.43 Crore from ₹ 19.79 Crore due to the EBITDA growth and Interest cost saving measures.

### Outlook

By continuing to work with its partner TRW, RTSS will explore possibilities of introducing some of their new products in India. RTSS will also work on a new power steering system for tractors and mini truck to penetrate into domestic business. Over the short-to-medium term, RTSS will look at increasing exports of hydraulic steering systems to Europe and will focus on expanding its occupant safety business.





## RANE NSK STEERING SYSTEMS PRIVATE LIMITED (RNSS)

Rane NSK Steering Private Limited (RNSS) was incorporated in 1997 as a joint venture with NSK Ltd., Japan, and is engaged in the manufacturing and marketing of electric power steering (EPS) and manual steering column (MSC) for Passenger Cars and Commercial Vehicles.

### Manufacturing Facilities

Location	Products
Chennai	Manual Steering Columns & I Shafts
Bawal	Electric Power Steering
Uttarakhand	Manual Steering Columns & I Shafts

### Operational Highlights

- ▶ Successfully completed Phase I of the localization activities for the Electric Power Steering (EPS) in FY15 reducing import content significantly.
- ▶ Eight new products were launched during FY15 generating revenue of ₹ 2.80 Crore in MSC business with a scope for higher revenues during the following years.
- ▶ Built new factory area within the present Bawal facility to support additional in-sourcing / localization projects
- ▶ Identified and worked on specific activities to improve margins and reduce cost in MSC Business to reduce Break-even Point (BEP) and to create flexibility to operate in Low Volume – High Variety commercial vehicle market.
- ▶ Expanded component exports during the year to NSK subsidiaries in Thailand and Europe.
- ▶ Focusing on selected export opportunities for Steering Column through the support of NSK. This is part of Rane NSK's growth strategy to improve volumes for the Manual Steering Column (MSC) business stream specifically in commercial vehicle segment for ASEAN & European markets.

- ▶ Received the Award for "Outstanding Contribution towards Supply Chain Management" under Large Scale Enterprise category from Volvo Eicher Commercial Vehicles.

### Financial Review

- ▶ Net sales grew by 19% to ₹ 623.03 Crore from ₹ 523.73 due to steady demand from major customers and increase in demand for EPS volumes
- ▶ EBITDA grew by 28% to ₹ 71.14 Crore from ₹ 55.64 Crore due to increased sales volume and implementation of various cost reduction initiatives.
- ▶ PAT grew by 110% to ₹ 29.57 Crore from ₹ 14.11 Crore due to increased EBITDA and one-off exceptional item relating to recognition of an insurance claim of ₹ 2.76 Crore

### Outlook

RNSS has identified aggressive localization plans to reduce the import contents in EPS business.

Improving on design and engineering capability for providing customers with the technically superior products is the focus area for the Company in MSC business. RNSS has achieved commendable capability in commercial vehicle MSC designing in the recent times to acquire new businesses and will continue to improve on this.

RNSS will launch two new EPS products in FY16 which have been developed during the year within the stipulated timelines.

RNSS will make investments to expand capacity and enhance value-add in the EPS operations to meet with customers' requirement. It plans to spend ₹ 55.8 Crore in FY16 mainly in machineries relating to new product launches.



## SASMOS HET TECHNOLOGIES LIMITED (SASMOS)

SasMos HET Technologies Limited (SASMOS) is a leading manufacturer of wiring harness, electro-mechanical assemblies and unit integration products for defence, marine and aerospace industry. RHL acquired 26% stake in SasMos during FY12 as part of its foray into the aerospace & defence industry. It has since increased its shareholding to 45.24% in November 2014.

### Manufacturing Facilities

Location	Products
Bangalore	Wiring harness, electro-mechanical assemblies and unit integration products for aerospace and defence industry

### Operational Highlights

- ▶ SasMos entered into a joint venture with Dutch firm Fokker Elmo B V in October 2014 for production of electrical wiring interconnection systems (EWIS) for aircrafts and engines
- ▶ SasMos signed long-term contract with Boeing for supply of electrical panels

### Financial Review

- ▶ Net Sales grew by 18% to ₹ 56.61 Crore from ₹ 47.96 Crore
- ▶ EBITDA reduced by 38% to ₹ 4.26 Crore from ₹ 6.87 Crore due to increase in material cost and additional expenses towards new business development
- ▶ PAT after minority interest was ₹ 1.12 Crore compared to previous year of ₹ 4.59 Crore registering a decline of 75.6% due to fall in EBITDA and higher tax provision for FY15.

### Outlook

The recent thrust by the Government to localize defence products manufacturing in India will have a very positive impact for SasMos. The new business relationships with Fokker and Boeing have enhanced the company's reputation, which has led to other Tier1 players evincing interest to partner with SasMos for India offset and global opportunities. Consequently, SasMos expects to grow its top line by at least 25% per annum over the next few years

## JMA RANE MARKETING LIMITED (JMA RANE)

JMA Rane Marketing Limited (JMA Rane) is a joint venture Company between Rane Holdings Limited and Jullundur Motor Agency Company Ltd. JMA Rane is a trading company dealing with automobile components and has dealer network at various locations in India. It registered sales of ₹ 56.94 Crore during FY15, an increase of 3%, compared to ₹ 55.23 Crore in the previous year.

## RANE HOLDING AMERICA, INC. (RHAI)

Rane Holdings America, Inc. (RHAI) was established in the State of Delaware, USA with the objective of strengthening customer relations and business promotion services in these regions on behalf of the group companies.



## HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS

As Rane embarks upon an exciting phase of profitable growth, there is increased emphasis on our talent management practices with special focus on leadership development that will drive business strategies to achieve our aspirations. With the stage all set, this indeed will be an intense phase as we will encounter variety of challenges like never before. It is time for HR for intertwining business and people value streams for enabling radical growth.

### Leadership Development

**Leadership Framework:** In order to significantly enhance the leadership capabilities and capacities, the Company is revisiting its Leadership Framework. Keeping a three-to-five year horizon in mind, the refreshed framework is aiming at facilitating leadership transition at different levels of the organization. This would entail formulating structured leadership archetypes that facilitates people transition in a continuum of individual contributor to business leader focusing both on strategic and functional leadership.

**High Potential Leadership Development (HPLD):** Five executives from the middle and senior management participated in the development centre as part of the HPLD program; a first of its kind in Rane. The objective of the HPLD initiative is to help people align their strengths, development needs and career aspirations. The initiative would enable promising talent to realize their career aspirations while also staffing the critical roles with the right talent and build a succession pipeline for future.



## Learning

**Keep Educating Yourself (KEY):** Continuous upgradation of knowledge and skills have become increasingly important for the modern day workforce. The quest for growth has led people towards aspiring for developing self for both today's success and future prospects.

Towards this endeavor we have introduced the policy – Keep Educating Yourself (KEY). The purpose is to encourage employees to pursue part-time education and thereby acquire additional qualification that will enhance the individual and organizational capabilities.

**Thought Leadership series:** From time to time group level thought leadership series are organized where business leaders share their experiences and perspectives on specific themes. This year we had interactions with industry stalwarts on themes such as 'Driving and managing profitable growth', 'Intellectual Property' and 'What it takes to be a business leader in a global company'.

## Rane Institute for Employee Development (RIED)

RIED continues its journey towards excellence in line with its vision to build core competencies for individual and business excellence by way of learning and development interventions.

## HR Capability Building

**Workforce Planning:** Having realized the scope of improving business performance through white collar productivity, the

HR team participated in a workshop on Workplace Planning. The objective was to build perspectives on this theme and deploy appropriate tools and techniques for optimum resource utilization.

**HR Boot Camp:** HR's contribution to business success as a function lies in imagining and shaping the future, responding to trends and reacting swiftly to unforeseen developments. In order to realize our future growth aspirations, it is important that we have a robust 'Design' for the people processes and strong 'Delivery' mechanisms.

Driven by this purpose, a boot camp was organized for the HR fraternity to ignite ideas in the HR team for driving the people agenda of the organization effectively. Participants were encouraged to appreciate business challenges, enabling shifts in the way of thinking, conceptualizing change and means of implementation.

The Industrial Relations were cordial.

## Recognition

Rane Group received an award for 'Talent Management' at the fifth Asia's Best Employer Brand Awards 2014.

## INTERNAL CONTROL SYSTEMS

The Company has put in place robust internal control system to prevent operational risks through a framework of internal controls and processes. These controls ensure that the



business transactions are recorded in a timely and complete manner in the financial records, resources are utilized effectively and assets are safeguarded.

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

## RISK MANAGEMENT

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

## OUTLOOK

The automobile sector was in a recovery mode throughout the year in FY15. The outlook of the industry looks positive as the overall economies are improving. Rise in industrial and mining activities along with government's initiative on improving infrastructure facilities, especially roads and highways will be beneficial for the sector. Reduction in interest rate at the beginning of 2015 and further possible rate cut will be a boost for the sector and especially for the passenger car. Government's announcement of helping the MSME segment with easy financing for trade receivables through e-platform will be good for the auto component sectors.

Rane Group will work closely with its existing customers and will reach to new customers with its array of product offerings. It will continue to focus on overseas market in an endeavor to increase the share of export in the total revenue. Replacement market will



be the another focus area of Rane Group to further strengthen its position by reaching to new geographies, increasing product range and connecting directly with the field mechanics. Rane Group will improve operational efficiency; reduce operational cost through various measures such as localization of operation, increasing labour productivity, centralizing process to eliminate duplication, achieve standardization etc. All the actions towards increasing revenue and improving profitability by cost rationalization will be in line with attaining the long term goals. To achieve them, Rane Group will actively implement the Rane Business Excellence Model (RBEM) in its pursuit to grow from operational excellence to business excellence.

## OPPORTUNITIES AND THREATS

Increasing global interest in the Indian markets and country's concerted efforts under the 'Make in India' program may lead to many new opportunities for the Indian manufacturing sector. Government's opening up of defense sector for FDI may also create promising new opportunities for Company's aerospace and defense business. Overall economic revival coupled with lowered cost of finance and fuel shall strengthen demand for all automobile sub-segments, thereby benefitting Company's auto-component businesses. Rising awareness for passenger security with a possible legislation mandating installation of airbags in passenger cars holds tremendous opportunity for the Company.

While the Company's comprehensive risk management framework addresses various operational risks, the Company, like its industry peers, is exposed to certain threats such as weakening of economic growth in developed economies, any sharp contraction in automobile sales, sudden increase in the prices of key inputs, increased competitive pressure etc.

# Report of the Board of Directors

Your Directors take the pleasure in presenting the Seventy Ninth Annual Report together with the Standalone and Consolidated financial statements for the year ended 31 March, 2015.

## 1. State of Company's Affairs

### 1.1 Financial Performance

Your Company's investment profile is as given below:

Sl. No.	Name of investee company	Products	Ownership of your Company
<b>Subsidiary companies</b>			
1	Rane (Madras) Ltd.	Manual steering and suspension systems and precision high pressure aluminium die cast	56.3 %
2	Rane Engine Valve Ltd.*	Valves, valve guides, tappets	51.1 %
3	Rane Brake Lining Ltd.	Brake linings, disc pads, composite brake blocs	46.1 %
4	Rane Holdings America Inc.	Providing business development services in North American region for Rane Group Companies	100.0%
<b>Joint Venture Companies *</b>			
5	Rane TRW Steering Systems Private Ltd.	Power steering systems and occupant safety systems	50.0%
6	Rane NSK Steering Systems Private Ltd.	Solid and energy absorbing steering columns, intermediary shafts, electric power assisted steering systems	49.0%
7	JMA Rane Marketing Ltd.	Distribution company for auto component (Rane and others)	49.0%
<b>Associate company</b>			
8	SasMos HET Technologies Ltd.	Designing, prototyping and manufacturing electrical inter-connection solutions, electronic design and integration for defence and aerospace applications.	45.2%

\*During the year :-

- Kar Mobiles Limited (KML), an associate company, was amalgamated with Rane Engine Valve Limited (REVL), a subsidiary of the Company.
- Rane TRW Steering Systems Private Limited and Rane NSK Steering Systems Private Limited, joint venture companies, were converted from public limited company to private limited company.

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

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

Particulars	₹ Crores	
	2014-15	2013-14
Income	59.94	53.50
Profit before tax	32.68	27.95
Provision for tax	6.76	6.22
Profit after tax	25.92	21.73
Surplus brought forward	82.44	73.27
Amount available for appropriation	108.35	95.00

Key Performance indicators, operational performance and balance sheet summary are furnished in Page No. 4-5 of this annual report.

During the year, income of your Company had increased by 12% over that of the previous year. The earnings per share for the year 2014-15 was ₹18.16 compared to last year ₹15.22

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

## 1.2 Amalgamation

The Hon'ble High Court of Judicature at Madras vide its order dated 26 February, 2015 sanctioned the Scheme of Amalgamation of Kar Mobiles Limited (KML) with Rane Engine Valve Limited (REVL) ('Scheme') under Sections 391 to 394 of the Companies Act, 1956. Consequent to Scheme coming into force all the assets and liabilities of KML were transferred and vested with REVL effective 01 April, 2014, being the appointed date for the scheme. KML was dissolved without being wound up, as on effective date 01 April, 2015.

In consideration of the scheme of amalgamation, the Board of directors of REVL, on 04 May, 2015, allotted 15,68,000 equity shares of ₹10/- each fully paid up in the ratio of 7:10 i.e. 7 fully paid up shares of equity shares of REVL for every 10 equity shares of KML, to the equity shareholders of KML whose name appeared in the register of members as on record date viz., 28 April, 2015.

The significant benefits expected as a result of the amalgamation are as follows:

- **Business Synergy:** Consolidation of business operations and significant impetus to growth since both REVL and KML were engaged in similar area of business.
- **Optimal utilization of resources:** Enhancement of the scale of operations and reduction in overheads, administrative, managerial and other expenditure, operational rationalization, sharing of technology, organizational efficiency, and optimal utilization of various resources.
- **Enhancement in Shareholder Value:** Improvement in shareholder value for both the companies by way of improved financial structure and cash flows, increased asset base and stronger consolidated revenue and profitability.
- **Expansion:** Enhancing the leveraging capability of the combined entity for larger expansion strategies
- and tapping bigger opportunities in the automotive industry.
- **Consolidation of expertise:** Consolidation of managerial expertise of the Companies will facilitate greater focus and utilization of resources.

## 2. Appropriation

Taking into account ₹82.44 crores being surplus of profit brought forward from previous year and the Profit after tax of ₹25.92 crores, a sum of ₹108.35 crores is available for appropriation as dividend, after considering transitional depreciation provision of ₹0.01 crores. During the year, your directors have recommended a dividend of 75% (i.e., ₹7.50 per equity share) as dividend for the year ended 31 March, 2015.

The amount on this account inclusive of tax on distributed profits and surcharge thereon, works out to ₹12.89 crores. After transfer of ₹83.13 crores to the General Reserve, ₹12.88 crores has been retained as surplus in the Profit and Loss Account.

## 3. Management Discussion & Analysis

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

## 4. Consolidated financial statements

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

- (a) **Subsidiary companies** – each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. Minority interests have been appropriately considered.
- (b) **Joint Venture companies** – each line item of income, expenditure, assets and liabilities have been consolidated based on the percentage of shareholdings held in these companies.
- (c) **Associate company** – share in the profit after tax has been consolidated based on the proportionate percentage of shareholding.

The consolidated financial statements of the Company are prepared based on the audited financial statement of the

subsidiary companies, joint-venture companies and associate company, except in the case of JMA Rane Marketing Limited where the provisional accounts have been considered.

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

## 5. Board of Directors

### 5.1 Composition

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report. The Company has issued a letter of appointment to all independent directors and the terms and conditions of their appointment have been disclosed on the website of the Company <http://rane.co.in/pdf/investors/rhl/rhltermsid.pdf>.

In terms of Section 149 of the Companies Act, 2013 (Act), Mr Anjanikumar Choudhari, Mr Anil Kumar Nehru and Mr Shujaat Khan, Independent Directors, were appointed by the shareholders at the seventy eighth Annual General Meeting (AGM) held on 12<sup>th</sup> August, 2014, for a period of three years to hold office from the conclusion of the seventy eighth AGM till the conclusion of the eighty first AGM. Dr. (Ms) Sheela Bhide was co-opted to the board as an additional director (in the category of independent director) on 13<sup>th</sup> November, 2014. The board has recommended the appointment of Dr. (Ms) Sheela Bhide as an independent director effective 13<sup>th</sup> November, 2014, till the conclusion of eighty second AGM. Notice has also been received from a member signifying his intention to propose her appointment as independent director of the Company at the ensuing AGM. The appointment of Dr. (Ms) Sheela Bhide also fulfils the criteria of appointment of women director on the Board under section 149(1) of the Companies Act, 2013 and clause 49 of the listing agreement.

All the independent directors have affirmed that they satisfy the criteria laid down under section 149 of the Companies Act 2013 and clause 49 of the listing agreement.

### 5.2 Retirement by rotation

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

### 5.3 Board Meetings

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

### 5.4 Meeting of Independent Directors

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

## 6. Board and Management

### 6.1 Board evaluation

Pursuant to the provisions of the Companies Act, 2013 and clause 49 of the listing agreement, the annual evaluation of the Board, its committees and directors individually is carried out as per the criteria laid down by the Nomination and Remuneration Committee.

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

For evaluation of performance of the Chairman additional aspects like institutional image building, providing guidance on strategy and performance, maintaining an effective and healthy relationship between the board and the management are taken into consideration. The evaluation methodology is comprehensive and commensurate with the size of the board and the Company.

### 6.2 Familiarisation program for independent directors

The company has framed a familiarization program for independent directors which has been put up on the website and available at <http://rane.co.in/rhlinvestors.html>

### 6.3 Key Managerial Personnel

The following are the Key Managerial Personnel under the Companies Act, 2013:

Mr L Lakshman	Executive Chairman & Managing Director
Mr L Ganesh	Vice-Chairman & Joint Managing Director
Mr C Siva	Secretary
Mr J Ananth	Chief Financial Officer

### 6.4 Remuneration policy

The policy on appointment, remuneration and evaluation criteria for Directors and Senior Management is, as per the recommendations of the Nomination and Remuneration Committee of the Board. The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed to attract, motivate, and retain talented employees who drive the company's success and it aims at aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

The remuneration to Directors, Key Managerial Personnel and Senior Management Personnel involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Nomination and Remuneration Committee recommends the remuneration of Directors and Senior Management as a group.

## 7. Audit

### 7.1 Audit Committee

In terms of the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the listing agreement, the Audit Committee of the Board is constituted to act in accordance with terms of reference prescribed therein. Detailed disclosure on compositions, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

### 7.2 Statutory Auditors

M/s. Deloitte Haskins & Sells, Chartered Accountants(DHS) were appointed as Statutory Auditors at the last (seventy eighth) Annual General Meeting (AGM) held on 12 August, 2014, for a period of two years i.e until the conclusion of the eightieth AGM. Their appointment is however, subject to ratification by the members at every AGM.

The Company has received letter from the Statutory Auditors consenting to the re-appointment and a confirmation to the effect that their appointment, would be within the prescribed limits and that they do not suffer from any disqualifications under Section 141 of the Companies Act, 2013 and the rules made thereunder. DHS have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The report issued by the Auditors to the members for the year ended 31 March, 2015 does not contain any qualification, reservation, adverse remark or disclaimer.

### 7.3 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s S Krishnamurthy & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2014-15 is annexed herewith as '**Annexure -A**'. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

### 7.4 Internal Auditors

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

## 8. Directors' Responsibility Statement

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

- followed the applicable accounting standards in the preparation of the financial statements for the financial year 2014-15 and there are no material departures;
- selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company



at the end of the financial year and of the profit of the Company for the year under review;

- iii. taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- iv. prepared the financial statements for the financial year on a 'going concern' basis ;
- v. laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively ; and
- vi. devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 9. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

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

The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions and material subsidiaries as approved by the Board is uploaded on the Company's website (<http://rane.co.in/pdf/policies/rhlrpt.pdf> and <http://www.rane.co.in/pdf/policies/rhlmsp.pdf>). None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

## 10. Corporate Social Responsibility (CSR)

The vision on Corporate Social Responsibility (CSR) is: **"To be socially and environmentally responsive**

**organization committed to improve quality of life within and outside".** The CSR activities of Rane Group focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr L Lakshman, Mr L Ganesh and Mr Anjanikumar Choudhari as its members.

The Annual Report on CSR activities carried out during the year 2014-15 is annexed as **Annexure 'B'**. The CSR policy of the Company is available in the Company's website (<http://www.rane.co.in/pdf/policies/rhlcsr.pdf>)

## 11. Fixed Deposits

Your Company does not accept any deposit from public in terms of Section 73 of the Companies Act, 2013 and the rules framed thereunder.

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

The Company is conscious of the imperative to protect environment and the natural resources for achieving sustainable economic growth and have started several initiatives in this regard such as conservation of energy and water and eco-friendly waste management system.

In view of the nature of activities of the Company, provisions of Section 134 (3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 relating to conservation of energy and technology absorption are not applicable to the Company.

There was no foreign exchange earned during 2014-15 and 2013-14. The foreign exchange outgo during the year 2014-15 was ₹ 0.46 crores as against ₹ 0.30 crores during the year 2013-14.

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

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and employees of the Company are provided in the Annual Report. Having regard to the provisions of first proviso to sub-section (1) of Section 136 of the Act, the Annual Report excluding the aforesaid information is sent to the members. The said information is available for inspection by the members at the registered office during business hours on a working day of the Company up to the date of the ensuing Annual General

Meeting. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their e-mail address and is available on the Company website <http://www.rane.co.in/raneholdings/raneholdingsinvestors.html>

#### 14. Corporate Governance Report

Your Company has complied with the corporate governance requirements as stipulated under clause 49 of the listing agreement. Detailed report on the compliance and a certificate by the Statutory Auditors forms part of this report as **Annexure 'C'**.

#### 15. Other disclosures

- a) Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- b) The internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis section of this 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 details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure 'D'**.
- e) 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. There was no instance reported during the year under review through this mechanism.
- f) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper mechanism across the Company. There was no case reported during the year under review through this mechanism.

For and on behalf of the board

Chennai  
26<sup>th</sup> May, 2015

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

# Annexure – 'A'

## To the Report of the Board of Directors

### Secretarial Audit Report for the Financial Year ended 31 March, 2015

#### 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,  
**Rane Holdings Limited**, [CIN:L35999TN1936PLC002202]  
"MAITHRI" No.132, Cathedral Road,  
Chennai-600086

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. **Rane Holdings Limited** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of M/s. **Rane Holdings Limited's** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that, in our opinion, the Company has, during the audit period covering the **financial year ended on 31<sup>st</sup> March 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter. The members are requested to read this report along with our letter dated 26<sup>th</sup> May 2015 annexed to this report as Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Rane Holdings Limited (the Company) for the financial year ended on 31<sup>st</sup> March 2015** according to the applicable provisions of:

- The Companies Act, 2013 (the Act) and the rules made thereunder.
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

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

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
- The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act and dealing with client.

(vi) The Listing Agreements entered into by the Company with:

- BSE Limited; and
- National Stock Exchange of India Limited.

#### 2. We are informed that, for the financial year ended on 31<sup>st</sup> March 2015:

- The Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of the following Regulations and Guidelines prescribed under SEBI Act
  - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.



- (ii) There were no laws applicable specifically to the Company, the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
3. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1<sup>st</sup> July 2015.
4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable.
5. **We further report that:**
- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent less than seven days before the meeting as there was no statutory requirement during the year to send them seven days in advance of the meeting.
- (iii) 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. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (v) During the audit period, the Company has passed a special resolution under section 180(1)(c) of the Act empowering the Board of Directors to borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.100 crores over and above the aggregate of the paid-up capital and free reserves of the Company, apart from temporary loans from Company's bankers in the ordinary course of business.

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

**K. Sriram**  
**Partner**

**Date:** 26<sup>th</sup> May 2015  
**Place:** Chennai

Membership No: **F6312**  
Certificate of Practice No: **2215**

## Annexure – 'A'

### To Secretarial Audit Report dated 26<sup>th</sup> May 2015

To,

The Members,

**RANE Holdings Limited**, [CIN:L35999TN1936PLC002202]

"MAITHRI" No.132, Cathedral Road,

Chennai-600086

**Our Secretarial Audit Report of even date is to be read along with this letter.**

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
5. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis. Actions carried out by the Company based on independent legal/ professional opinion obtained have not been considered as non-compliance wherever there was a scope for multiple interpretations, especially since this is first full financial year in which the Companies Act, 2013 has become operational and also on account of the listing agreement undergoing major amendments from 1<sup>st</sup> October 2014.
6. The 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**

**Date:** 26<sup>th</sup> May 2015  
**Place:** Chennai

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

## Annexure – 'B' To Directors Report

### Annual Report on CSR activities (for financial year 2014-15)

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

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

**Overview of projects implemented during 2014-15:**

In the year 2014-15, the Company has implemented several projects primarily focusing on Education followed by Community Development and Healthcare.

► **Education:**

The key project is the support extended to Rane Polytechnic, Trichy which aims at producing skilled manpower to the industry, thereby serving the national agenda of skill development. During the previous year, the first batch of 92 students completed the diploma program. In 2014-15 the second batch of 122 students completed their diploma program. The response from corporates in providing employment opportunities to the students have been encouraging.

The Company continued to support Kuppaswami Sastri Research Institute (KSRI) in digitizing their collection of rare books. The objective is to preserve the nation's rich literature, cultural heritage in the field of Sanskrit and related Indology and to help in creating a knowledge platform for research scholars worldwide.

► **Community Development:**

As part of the community development initiatives the company offered support to institutions such as Maithree and Freedom Trust that attends to children coping with mental and physical challenges respectively. In addition, the contribution towards Worth Trust, an institution that focuses on mainstreaming the hearing and speech impaired people into the society paved ways for the beneficiaries in enhancing their scope for education, employability and thus leading to livelihood enhancement.

► **Healthcare:**

In the healthcare space, the Company extended support to the Cancer Institute, Chennai towards clinical research in different departments of the institute. (This provides a platform to provide scientific

treatment and health education among all sections of people. This would go a long way in conquering the disease and offering quality treatment to all people irrespective of their social or economic class).

The policy on CSR recommended by the CSR Committee was approved and adopted by the Board of Directors is available on the website of the Company (web link: <http://rane.co.in/pdf/policies/rhlcsr.pdf>)

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

The Company's has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of RHL will be headed by the Board CSR Committee. The Board level CSR Committee grants auxiliary power to the Company level CSR Working Committee of the company to act on their behalf.

The members of the CSR committee:

Board CSR committee	Company CSR committee
L Lakshman Promoter, Managing Director & Executive Chairman	R Venkatanarayanan President – Corporate Services
L Ganesh Promoter, Joint Managing Director & Vice Chairman	J Ananth General Manager - Finance CFO
Anjanikumar Choudhari Non-Executive & Independent Director	

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

₹ in Cr			
Particulars	2011-12	2012-13	2013-14
Net profit for the year (PAT)	34.25	25.95	21.73
Adjusted Net profit (as per section 198)	38.31	32.85	28.34
Average Net profit	33.17		

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 0.66 Crores**

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

- Total amount to be spent for the financial year; ₹ 0.66 Crores
- Amount unspent, if any; NIL

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

Sl. No.	CSR Activity	Sector in which activity is covered	Project or programs location 1) Local area or other 2) District (State)	Budget (in INR)	Amount Spend - Subheads	Cumulative expenditure up to the reporting period (in INR)	Amount spent: Directly or through an implementing agency (in INR)
					Direct (in INR) Overheads (in INR)		
1	Education - Institution Development	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	1) Other 2) Trichy (Tamil Nadu)	52,80,000	52,80,000 -	52,80,000	Implementing Agency: Rane Foundation (Registered Trust) – 52,80,000
2	Education - Vocational Training and Skill Development	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	1) Other 2) Thiruvallur (Tamil Nadu)	25,000	25,000 -	53,05,000	Implementing Agency - Camp Tonakela Association (Registered Trust): 25,000
3	Health Care- Health Camps	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	1) Other 2) Trichy (Tamil Nadu)	1,20,000	1,20,000 -	54,25,000	Implementing Agency - Freedom Trust (Registered Trust): 1,20,000
4	Health Care - Medical Infrastructure and Aid	Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	1) Local 2) Chennai (Tamil Nadu)	3,50,000	3,50,000 -	57,75,000	Implementing Agency - Cancer Institute (W.I.A) (Registered Society): 3,50,000
5	Community Development - Improving Quality of Life	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	1) Local 2) Chennai (Tamil Nadu), 1) Other 2) Vellore (Tamil Nadu)	6,00,000	6,00,000 -	63,75,000	Implementing Agency - MAITHREE (Registered Society): 3,50,000 Implementing Agency - Worth Trust (Registered Trust): 2,50,000
6	Protection of National Heritage	Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	1) Local 2) Chennai (Tamil Nadu)	2,50,000	2,50,000 -	66,25,000	Implementing Agency - Kuppaswami Sastri Research Institute (KSRI) (Registered Society): 2,50,000
7	CSR Capacity Building	-	1) Local 2) Chennai (Tamil Nadu)	1,20,000	- 1,20,000	67,45,000	-
<b>Total</b>				<b>67,45,000</b>	<b>67,45,000</b>	<b>67,45,000</b>	

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

Not Applicable

7. Responsibility statement of the CSR Committee.

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee

is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

Chennai

26<sup>th</sup> May, 2015

L Ganesh

**Vice Chairman**

L Lakshman (**Chairman of CSR Committee**)

**Executive Chairman**

# Annexure - C

## To The Report of the Board of Directors

### Corporate Governance Report

#### 1. Philosophy on Code of Governance

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

Our belief in good corporate citizenship enshrined in the Company's code of conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including clause 49 of the listing agreement.

#### 2. Board of directors

##### Composition, Attendance & Meetings

As of 31 March, 2015, the board of the Company consists

of seven directors with an Executive Chairman and majority being independent directors. The composition of the independent directors is in conformity with clause 49 of the listing agreement entered into with stock exchanges. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. None of the directors on the board, is a member of more than 10 committees or chairman of more than 5 committees across all the companies in which he/she is a director. Necessary disclosures regarding committee positions in other public companies as on 31 March, 2015 have been made by the directors.

The board met five (5) times during the financial year on 27 May, 2014, 12 August, 2014, 13 November, 2014, 9 February, 2015, and 30 March, 2015. The names and categories of the directors on the board, their attendance at Board Meetings and Annual General Meeting held during the year and the number of directorships in other companies and committee chairmanships / memberships held by them in all public companies are given below:

Name of the Director	Category	No. of board meetings attended	Whether attended last AGM	Number of Directorship in other companies #		Number of Committees @	
				Chairman	Member	Chairman	Member
Mr. L Lakshman (DIN 00012554)	Executive Chairman & Promoter	5	Yes	1	5	1	4
Mr. L Ganesh (DIN 00012583)	Executive Vice-Chairman & Promoter	4	Yes	3	4	1	5
Mr. Harish Lakshman (DIN 00012602)	Non-Executive & Promoter	5	Yes	-	7	2	1
Mr. Shujaat Khan (DIN 00526891)	Non-Executive & Independent	4	Yes	-	3	-	-
Mr. Anjanikumar Choudhari (DIN 00234208)	Non-Executive & Independent	5	Yes	1	-	-	1
Mr. Anil Kumar Nehru (DIN 00038849)	Non-Executive & Independent	5	Yes	-	4	1	5
Dr. (Ms.) Sheela Bhide* (DIN 01843547)	Non-Executive & Independent	3	NA*	-	4	1	2

# Excludes foreign companies.

@ Membership in Audit Committee and Stakeholders' Relationship Committee of public limited companies only is considered as per clause 49 of the listing agreement.

\*Dr (Ms) Sheela Bhide was appointed as an additional director (independent capacity) on 13 November, 2014. Her appointment also fulfils criteria of appointment of woman director under section 149(1) of the Companies Act, 2013 and clause 49 (II) (A) (i) of the listing agreement.

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

The information as required under Annexure X to clause 49 of the listing agreement such as annual operating plans and budgets, quarterly results for the Company, minutes of meetings of audit committee and proceedings of the meetings of other committees of the board, quarterly details of foreign exchange exposures, risk management and mitigation measures, etc. are placed before the board of directors.

Annual calendar for the board and its committee meetings is circulated in advance to the directors, to facilitate them in attending the meetings. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has a post board meeting review mechanism to monitor and follow up the effective execution of the decisions, directions or suggestions of the board and its committees, by the management.

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

The familiarisation programme for the independent directors is disclosed on the website of the Company and is available at <http://rane.co.in/rhlinvestors.html>.

### 3. Audit Committee

#### Composition, Attendance & Meetings

The composition of Audit Committee as on 31 March, 2015 is as follows:

Name of the Director	Category
Mr. Anjanikumar Choudhari	Chairman, Independent
Mr. Anil Kumar Nehru	Member, Independent
Mr. L Ganesh	Member, Executive & Promoter

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

Mr. C Siva, Secretary of the Company is the Secretary to the Committee.

The Committee met **four (4)** times during the year on 27 May, 2014, 12 August, 2014, 13 November, 2014 and 9 February, 2015.

The composition of Audit Committee

Name of the Director	No. of meetings attended
Mr. Anjanikumar Choudhari	4
Mr. L Ganesh	4
Mr. Anil Kumar Nehru	4

The statutory auditor and the internal auditor were present as invitees in all the meetings. The Executive Chairman and head of finance of the Company attended the meetings by invitation. Based on the requirement, other directors attended the meetings by invitation. All the recommendations of the audit committee during the year were considered, accepted and approved by the board.

#### Overall purpose and terms of reference

The purpose of the audit committee is to assist the board of directors (the "board") in reviewing the financial information provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

The terms of reference of the audit committee are as per the provisions of the listing agreement read with section 177 of the Companies Act, 2013. In line with these provisions the Company has framed an audit committee charter, which is subject to regular review by the audit committee.

The roles of the audit committee inter-alia, includes, review of :

- quarterly / annual financial statements with statutory auditors and management before submission to the board.
- internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- management discussion and analysis of financial condition, results of operation and 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 judgment by management and significant adjustments made in the financial statements arising out of the audit findings.
- valuation of undertakings or assets of the company, as and when required.

As per the charter and the terms of reference, the audit committee, also:

- recommends appointment of auditors and their remuneration and approves the appointment of CFO.
- discusses the scope of audit and post-audit area of concern and qualifications, if any, with statutory auditors / internal auditors.

In compliance with clause 41 of the listing agreement, the audit committee reviews both, the standalone and consolidated, quarterly unaudited and annual audited financial results of the Company. The quarterly unaudited financial results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The audit committee reviews all mandatory information under clause 49 of the listing agreement.

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

##### Composition & Attendance of Meetings

The Nomination and Remuneration Committee (NRC) constituted by the Board in terms of Section 178 of the Companies Act, 2013 and the rules notified thereunder and clause 49 of the listing agreement, comprises of the following directors as its members:

Name of the Director	Category
Mr. Anjanikumar Choudhari	Chairman, Independent
Mr. Anil Kumar Nehru	Member, Independent
Mr. Harish Lakshman	Member, Non- Executive & Promoter

The Committee met two (2) times during the year on 12 August, 2014 and 13 November, 2014.

Name of the Director	No of Meetings Attended
Mr. Anjanikumar Choudhari	2
Mr. Anil Kumar Nehru	2
Mr. Harish Lakshman	2

##### Terms of Reference

- To formulate criteria for determining qualifications, positive attributes and independence of director and evaluation of independent directors and the board.
- To formulate policies for remuneration of directors, key managerial personnel, senior management personnel who are functional heads one level below the board.
- To devise policy on board diversity.
- To identify persons for the position of directors, key managerial personnel, senior management personnel who are functional heads one level below the board.
- To recommend to the board on appointment / removal of directors, key managerial personnel, senior management personnel who are functional heads one level below the board.
- To evaluate the performance of directors (other than independent directors) and make recommendation to the board and key managerial personnel, senior management personnel who are functional heads one level below the board, as a team.

##### Remuneration Policy

The remuneration policy of the Company is discussed in the report of the board of directors.

##### Details of Remuneration to Directors:

Taking into account the increased role of directors in the light of new governance norms under Companies Act, 2013 and the requirements under the listing agreement, as per the recommendations of the Nomination and Remuneration committee, the board approved revision in sitting fee payable to directors for attending the meetings of the board / committee (s) thereof with effect from August 2014 as detailed below:

Meetings	Upto July 2014	August 2014 onwards
Board (₹)	20,000	30,000
Audit Committee (₹)	5,000	10,000

Meetings	Upto July 2014	August 2014 onwards
Stakeholder's relationship committee (₹)	2,500	5,000
Finance Committee (₹)	2,500	2,500
Nomination & Remuneration Committee (₹)	-	10,000
CSR Committee (₹)	-	10,000

The above fees exclude reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings.

The details of sitting fees paid to the directors for the year ended 31 March, 2015 are as follows:

Name of the Director	Sitting Fees (₹)
Mr. L Lakshman*	-
Mr. L Ganesh*	-
Mr. Harish Lakshman	1,72,500
Mr. Anjanikumar Choudhari	2,00,000
Mr. Anil Kumar Nehru	2,07,500
Mr. Shujaat Khan	80,000
Ms. Sheela Bhide	90,000

\*No sitting fee was paid to Mr. L Lakshman and Mr. L Ganesh.

### Managerial Remuneration

Mr. L Lakshman and Mr. L Ganesh are paid remuneration in their capacity as "Managing Director" and "Joint Managing Director", respectively, as per the terms approved by the shareholders at the 78<sup>th</sup> Annual General Meeting of the Company held on 12 August, 2014.

Remuneration paid to Mr. L Lakshman and Mr. L Ganesh, for the year ended 31 March, 2015 was ₹ 1,71,57,395/- and ₹ 1,16,54,805/- respectively. The remuneration paid to Mr. L Lakshman includes commission of ₹ 84,24,000/-.

The overall managerial remuneration is within the limits prescribed under Companies Act, 2013. The employment of Mr. L Lakshman and Mr. L Ganesh is contractual. There is no severance fee payable to them. The Company does not have any stock option scheme.

The shareholding details of the Directors as on 31 March, 2015:

Name of the Director	No. of shares
Mr. L Lakshman	7,02,560
Mr. L Ganesh	7,12,196
Mr. Harish Lakshman	1,24,817

None of the other directors hold any shares in the Company.

## 5. Stakeholders' Relationship Committee

### Composition & Attendance of Meetings

The Stakeholder's Relationship Committee has been constituted pursuant to section 178 of the Companies Act 2013 and as per the requirements under clause 49 of the listing agreement, to look into all types of grievances from shareholders and redress them expeditiously. The following are its members:

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

The Company Secretary is the compliance officer of the company.

The Committee met three (3) times during the year on 27 May, 2014, 13 November, 2014 and 9 February, 2015.

Name of the Director	No. of meetings attended
Mr. Harish Lakshman	3
Mr. L Ganesh	2
Mr. Anil Kumar Nehru	3

During the year the company received six complaints from investors and all of them were disposed off. The complaints pertain to non-receipt / loss of share certificates, non-receipt of dividend warrant, non-receipt of correspondences and transmission of shares. One of the above-mentioned complaints was received from SEBI Complaints Redress System (SCORES). Action taken report, as required under SCORES has been duly submitted. During the year, no complaints were received from Ministry of Corporate Affairs (MCA). There are no investor complaints pending unresolved at the end of the financial year 2014-15.

## 6. Corporate Social Responsibility (CSR) Committee

The CSR activities of the Company focus on four specific areas such as (a) Education (b) Healthcare (c) Community Development (d) Environment. The CSR Policy was reviewed by the Board at its meeting dated 27 May, 2014.

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

Name of the Director	Category
Mr. L Lakshman	Chairman, Executive & Promoter
Mr. L Ganesh	Member, Executive & Promoter
Mr. Anjanikumar Choudhari	Member, Independent

The Committee met twice (i.e. 2 times) during the year 27 May, 2014 and 13 November, 2014.

Name of the Director	No. of meetings Attended
Mr. L Lakshman	2
Mr. L Ganesh	2
Mr. Anjanikumar Choudhari	2

The terms of reference of the Committee are as follows:

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

The report on CSR projects undertaken during the year 2014-15 as approved by the CSR committee in consultation with the board is annexed to Report of the Board of Directors.

## 8. General Body Meetings

Details of previous three Annual General Meetings are as under:

Date	Special Resolutions Passed	Time	Venue
<b>12 August, 2014</b> <b>(Tuesday)</b> <b>(78th AGM)</b>	1. Re-appointment of Mr. L Lakshman as Managing Director in designation of 'Executive Chairman'. 2. Re-appointment of Mr. L Ganesh as Joint Managing Director in designation of 'Vice- Chairman'. 3. Approve Borrowing powers of the Board u/s 180(1)(c) of the Companies Act, 2013.	10.15 a.m.	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014.
<b>12 August, 2013</b> <b>(Monday)</b> <b>(77th AGM)</b>	No special resolution was passed	10.15 a.m.	- do -
<b>10 August, 2012</b> <b>(Friday)</b> <b>(76th AGM)</b>	No special resolution was passed	10.15 a.m.	- do -

No resolution was passed by means of postal ballot by the members of the Company during the year 2014-15.

## 7. 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 and is available at, <http://rane.co.in/pdf/policies/coc.pdf>. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Executive Chairman & Managing Director of the Company to this effect forms part of this report.

### Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders and practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at the website of the Company viz., <http://www.rane.co.in/pdf/policies/rhlcfd.pdf>

## 9. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., which were in conflict with the interests of the Company. The details of the related party transactions as per AS 18 as stated in note 28 of the standalone financial statements have been reviewed / approved by the Audit Committee. The policy on Related party Transaction is available on the website of the Company viz., <http://www.rane.co.in/pdf/policies/rhlrpt.pdf>
2. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
3. There are no pecuniary relationships or transactions of non-executive directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.
4. The Company has in place a mechanism to inform the board members about the risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
5. The Company has complied with all the mandatory requirements prescribed under revised clause 49 of the listing agreement.

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

- i. adopting best practices to ensure a regime of unqualified financial statements.
  - ii. individual communication of half-yearly results to shareholders.
  - iii. the Internal Auditor reports directly to the Audit Committee.
6. 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. During the year, the company electronically integrated the STACK through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.

7. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website. (Link <http://rane.co.in/pdf/policies/rhlmsp.pdf>.)
8. The independent directors have confirmed that they meet the criteria of 'independence' as stipulated under clause 49 of the listing agreement.
9. The CEO and CFO of the Company have certified to the Board on the integrity of the financial statements, effectiveness of internal controls and significant changes in internal control /accounting policies during the year as required under clause 49 of the listing agreement and Companies Act, 2013.

## 10. Whistle blower mechanism

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

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. The Whistle Blower policy has also been posted in the Company's website

URL: <http://rane.co.in/pdf/policies/rhlwbpolicy.pdf>

During the year, no instance was reported under this policy.

## 11. Means of Communication

The consolidated quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results and the shareholding pattern

were uploaded in the website of the stock exchanges and the Company viz. <http://www.rane.co.in>. During the year, a presentation was made to analysts / institutional investors and was published on the website of the Company. A management discussion and analysis report is part of the annual report.

## 12. General Shareholder Information

i) Information about director seeking re-appointment / appointment in this Annual General Meeting (AGM)

<b>Name of the director</b>	<b>Mr L Ganesh</b>	<b>Dr (Ms) Sheela Bhide</b>
<b>DIN</b>	<b>00012583</b>	<b>01843547</b>
<b>Father's Name</b>	Mr. L L Narayan	Col. Damodar N Thakar
<b>Date of birth</b>	18 March, 1954	12 June, 1948
<b>Educational Qualifications</b>	B.Com., ACA, MBA	Phd (International Trade), Masters in Economics, Masters in Public Administration, MBA (Finance)
<b>Experience</b>	Mr L Ganesh, Chairman of Rane Group, is closely involved in management of all companies in Rane Group and has over 36 years of industrial experience.	Dr (Ms) Sheela Bhide is an IAS officer of the 1973 batch and has over 40 years' experience. During her tenure she has held key posts in various Ministries such as Commerce, Defence, External Affairs.
<b>Date of appointment</b>	26 June, 1986	13 November, 2014
<b>Other Directorships</b>	<b>Chairman &amp; Managing Director</b> Rane Engine Valve Ltd. <b>Chairman</b> Rane (Madras) Ltd. Rane Brake Lining Ltd. SasMos HET Technologies Ltd. Rane NSK Steering Systems Private Ltd. Rane TRW Steering Systems Private Ltd.  <b>Director</b> EIH Ltd. EIH Associated Hotels Ltd. JMA Rane Marketing Ltd.	<b>Director</b> Suryoday Micro Finance Private Limited L & T Metro Rail (Hyderabad) Limited GATI-KINTETSU Express Private Limited Gati Limited The Bombay Dyeing and Manufacturing Company Limited Bombay Burmah Trading Corporation Limited
<b>Committee Memberships</b>	<b>Chairman - Audit</b> <b>EIH Associated Hotels Ltd.</b> <b>Member - Audit</b> Rane Holdings Ltd. Rane Brake Lining Ltd. Rane TRW Steering Systems Private Ltd. Rane NSK Steering Systems Private Ltd. <b>Member -Stakeholders' relationship committee</b> Rane Holdings Ltd. Rane Brake Lining Ltd. Rane Engine Valve Ltd.	<b>Chairman – Audit Committee</b> Suryoday Micro Finance Private Limited  <b>Member – Audit Committee</b> GATI-KINTETSU Express Private Limited L & T Metro Rail (Hyderabad) Limited  <b>Member– Nomination and Remuneration Committee</b> Suryoday Micro Finance Private Limited GATI-KINTETSU Express Private Limited
<b>Number of shares held</b>	<b>7,12,196</b>	<b>Nil</b>

ii) Annual General Meeting

**Wednesday, 12 August, 2015 at 10.30 a.m.**

The Music Academy (Mini Hall)

New No.168, TTK Road,

Royapettah, Chennai 600 014.

iii) **Financial Year – 1 April - 31 March****Financial Calendar**

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended 31 March, 2015	26 May, 2015
Un-audited results for the 1 <sup>st</sup> quarter ending 30 June, 2015	12 August, 2015
Un-audited results for the 2 <sup>nd</sup> quarter ending 30 September, 2015	9 November, 2015
Un-audited results for the 3 <sup>rd</sup> quarter ending 31 December, 2015	9 February, 2016
Annual Accounts for the year ending 31 March, 2016	By fourth week of May 2016

iv) **Book Closure & Dividend**

The book closure period is from **5 August, 2015** (Wednesday) to **12 August, 2015** (Wednesday), both days inclusive.

**Dividend:**

The Board of directors at its meeting held on 26 May, 2015, has recommended a dividend of ₹ 7.50/- per equity share. The dividend, if declared by the shareholders, will be paid on 17 August, 2015 to all those members whose name appear in the Register of Members as on 12 August, 2015 and in respect of shares in electronic form to those beneficial owners of the shares as at the end of business hours on 4 August, 2015.

v) **Listing on Stock Exchanges:**

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

**Listing Fee:** Annual Listing fees for the financial year 2015-16 have been paid to both stock exchanges.

vi) **Unpaid / Unclaimed Dividends:**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, interim dividend for the financial year ended 31 March, 2008 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. Members who have not encashed the dividend warrants for the said period are requested to make their claim to the Company.

During the year, the Company had transferred to IEPF an unclaimed interim dividend amount of ₹ 4,07,160/- for the financial year ended 31 March, 2008. The Company has sent reminder letters to each of the shareholder whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share # (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2015) (₹)	Last Date for claiming Unpaid Dividend	Due date for transfer to IEPF
31.03.2009*	29.01.2009	4.00	2,78,056.00	21.03.2016	20.04.2016
31.03.2010*	29.01.2010	6.00	4,34,586.00	06.03.2017	05.04.2017
31.03.2010	29.07.2010	2.00	1,40,022.00	03.09.2017	03.10.2017
31.03.2011*	03.02.2011	7.50	5,12,910.00	11.03.2018	10.04.2018
31.03.2011	05.08.2011	5.00	3,71,600.00	10.09.2018	10.10.2018
31.03.2012*	06.02.2012	6.00	4,98,492.00	13.03.2019	12.04.2019
31.03.2012	10.08.2012	4.00	3,00,068.00	15.09.2019	15.10.2019
31.03.2013*	06.02.2013	3.50	3,07,191.50	14.03.2020	13.04.2020
31.03.2013	12.08.2013	4.50	3,74,994.00	17.09.2020	17.10.2020
31.03.2014	12.08.2014	6.50	6,09,843.00	17.09.2021	17.10.2021

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

\* - Interim Dividend



During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on 12 August, 2014 in accordance with the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012. The above details were also uploaded in the website of the Company viz. [www.rane.co.in](http://www.rane.co.in)

#### vii Unclaimed share certificates:

Under clause 5A (II) of the listing agreement entered with stock exchanges, the Company had sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Based on the response received from the shareholders, the Company had transferred 82,320 unclaimed shares pertaining to 622 shareholders in physical form into one folio in the name of "Rane Holdings Limited Unclaimed Shares Suspense Account" and dematerialised the same. During the year, 24 shareholders had approached the Company for transfer of 2309 shares from the unclaimed shares which were duly transferred. The balance 80,011 shares pertaining to 598 shareholders were lying as unclaimed as on 31 March, 2015. The voting rights of

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

#### viii Green Initiative

The Ministry of Corporate Affairs (MCA) has taken a "green initiative in the corporate governance" by allowing companies to make paperless compliances and service of notice / documents including annual reports to the shareholders of the Company through electronic mode. As a responsible corporate citizen, your Company welcomes and supports the Green Initiative taken by the MCA, as this will reduce paper consumption to a great extent and allow the members to contribute towards a greener environment. This will also ensure prompt receipt of communication and avoid loss in postal transit.

During last year, the shareholders of the Company whose e-mail addresses were registered with the Company/Depository Participants (DPs) were provided with a link to the annual report of the Company via e-mail and those who opted to receive the documents in physical mode were provided with a physical copy. In order to support this initiative, members are requested to register their e-mail addresses, with the DPs, in case shares are held in dematerialized form and with the Registrar and Transfer agent, in case the shares are held in physical form.

#### ix Share price data

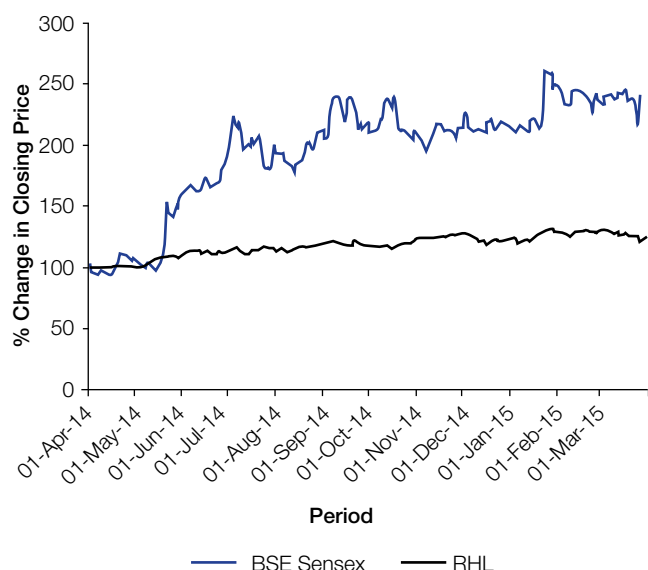
The share price data (based on closing price) as quoted on National Stock Exchange of India Ltd. and BSE Ltd. during the last financial year viz., 1 April, 2014 – 31 March, 2015 is given below:

Month	BSE Share Prices (₹)		BSE Sensex		NSE Share Prices (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
Apr 2014	226.80	184.10	22,876.54	22,277.23	224.90	188.20	6,840.80	6,675.30
May 2014	327.90	200.05	24,716.88	22,323.90	329.80	202.35	7,367.10	6,652.55
Jun 2014	417.90	343.95	25,583.69	24,684.85	419.85	343.95	7,656.40	7,362.50
Jul 2014	449.75	379.40	26,271.85	25,006.98	450.70	373.15	7,830.60	7,454.15
Aug 2014	454.30	378.50	26,638.11	25,329.14	451.45	378.25	7,954.35	7,568.55
Sep 2014	580.60	450.05	27,319.85	26,468.36	587.60	448.00	8,173.90	7,911.85
Oct 2014	633.30	566.15	27,865.83	25,999.34	634.10	561.85	8,322.20	7,748.20
Nov 2014	646.65	565.30	28,693.99	27,860.38	650.15	568.80	8,588.25	8,324.15
Dec 2014	707.60	615.95	28,562.82	26,710.13	704.70	617.45	8,564.40	8,029.80
Jan 2015	687.40	625.90	29,681.77	26,908.82	684.00	634.60	8,952.35	8,102.10
Feb 2015	669.70	578.40	29,462.27	28,227.39	674.75	584.30	8,901.85	8,526.35
Mar 2015	620.00	583.50	29,593.73	27,457.58	622.85	585.20	8,996.25	8,341.40

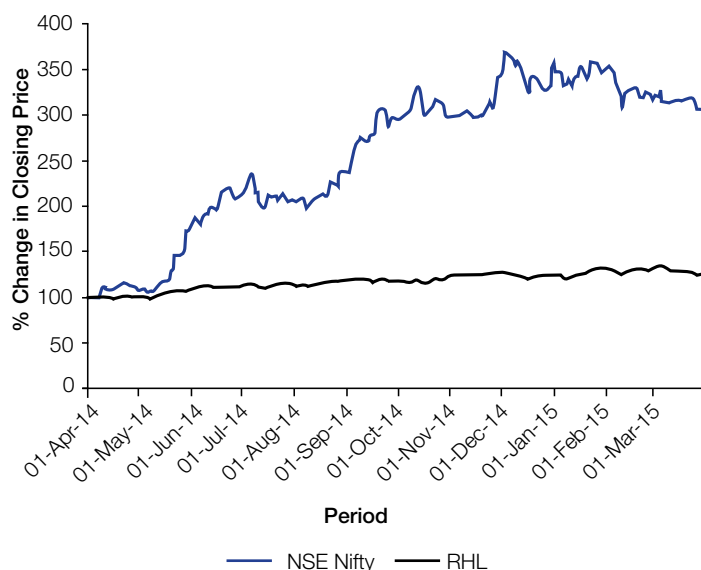
(Source: BSE [www.bseindia.com](http://www.bseindia.com) ; NSE [www.nseindia.com](http://www.nseindia.com))



Performance of share price of the Company vs. BSE Sensex



Performance of share price of the Company vs. NSE Nifty

**x Registrar and Share Transfer Agents (RTA)**

The contact details of the RTA are as follows:-

**Integrated Enterprises (India) Ltd.,**

II Floor, 'Kences Towers',

No.1, Ramakrishna Street, North Usman Road,

T. Nagar, Chennai – 600 017.

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

e-mail: corpserve@integratedindia.in

Name of the contact person: Mr. Suresh Babu K, Senior Vice-President.

**xi Share transfer system**

The power to approve transfer of shares has been delegated by the board to the share transfer committee. Share transfer process is completed within 15 days from the date of receipt of transfer documents by the Registrar and Share Transfer Agent (RTA). Requests for dematerialisation are generally confirmed on a weekly basis by the RTA.

On a half-yearly basis the compliance with the share transfer formalities is audited by a Practising Company Secretary (PCS) in terms of clause 47(c) of the listing agreement and a certificate to this effect is filed with the stock exchanges. Also reconciliation of share capital audit in terms of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

**xii) Distribution of shareholding as on 31 March, 2015**

No. of Shares Held	Shareholders		Shares	
	Number	% to Total	Number	% to Total
Upto 500	7,723	87.95	7,19,515	5.04
501 - 1,000	439	5.00	3,32,820	2.33
1,000 - 2,000	251	2.86	3,65,676	2.56
2,001 - 5,000	187	2.14	5,75,043	4.03
5,001 - 10,000	71	0.82	5,28,018	3.70
10,001 - 20,000	41	0.47	6,18,136	4.33
20,001 - 50,000	27	0.31	8,08,040	5.66
50,001 - 1,00,000	12	0.15	9,15,786	6.41
1,00,001 & Above	27	0.31	94,14,775	65.94
<b>Total</b>	<b>8,778</b>	<b>100.00</b>	<b>1,42,77,809</b>	<b>100.00</b>

### xiii) Pattern of shareholding

The detailed shareholding pattern of the company as on 31 March, 2015 and 31 March, 2014 is furnished in the extract to annual return in form MGT-9 which is annexed to Directors Report as Annexure 'D'.

Sl. No.	Category	As on 31 March, 2015			As on 31 March, 2014		
		No. of Shareholders	No. of Shares	% to total capital	No. of Shareholders	No. of Shares	% to total capital
A	Promoters	26	66,25,789	46.41	26	66,25,789	46.41
B	Mutual Funds	10	11,06,068	7.75	2	3,00,150	2.10
C	Banks, Financial Institutions & Insurance Companies	12	6,84,892	4.80	10	6,83,593	4.79
D	Private Corporate Bodies	183	14,85,957	10.41	176	22,44,696	15.72
E	Foreign Institutional Investors (FIIs)	1	9,491	0.07	1	2,69,638	1.89
F	Indian Public and others	8,437	43,05,906	30.16	8,310	41,04,814	28.75
G	Non-Resident Indians	109	59,706	0.40	97	49,129	0.34
	<b>Total</b>	<b>8,778</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>8,622</b>	<b>1,42,77,809</b>	<b>100.00</b>

### xiv) Dematerialisation of shares and liquidity

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depository Services (India) Limited for dematerialisation of the shares held by investors. As of 31 March, 2015, about 97.45% of the shareholdings have been dematerialised.

Comparative chart of physical and demat holdings is given below:

Particulars	Number of shares		% to total capital	
	As on 31 March, 2015	As on 31 March, 2014	As on 31 March, 2015	As on 31 March, 2014
Physical	3,63,341	3,95,095	2.55	2.77
Demat	1,39,14,468	1,38,82,714	97.45	97.23
<b>Total</b>	<b>1,42,77,809</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>100.00</b>

The equity shares held by the promoter & promoter group in the Company are entirely in dematerialised form.

Reconciliation of share capital, audited by practicing company secretary is furnished every quarter to stock exchanges.

Demat ISIN: **INE384A01010**

Corporate Identification Number (CIN): **L35999TN1936PLC002202**

### xv) Address for communication

#### Mr. C Siva

Compliance Officer  
Rane Holdings Limited  
Rane Corporate Centre  
"Maithri" 132, Cathedral Road  
Chennai 600 086.  
Phone : 044 2811 2472 Fax : 044 2811 2449  
E-mail: investorservices@rane.co.in

OR

#### Mr. Suresh Babu K

Senior Vice-President  
Integrated Enterprises (India) Ltd.,  
II Floor, 'Kences Towers'  
No.1, Ramakrishna Street  
North Usman Road  
T. Nagar, Chennai 600 017  
Phone:044 2814 0801-03 Fax: 044 2814 2479  
E-mail: corpserv@integratedindia.in

# Declaration by Chief Executive Officer on Code of Conduct Under Clause 49 of the Listing Agreement

To  
The Members  
Rane Holdings Limited

I, hereby declare that to the best of my knowledge and information, all the board members and senior management personnel have affirmed compliance with 'Ethical Standards of Behaviour – RANE COMPASS', the code of conduct, for the year ended 31 March, 2015.

Chennai  
26 May, 2015

**L Lakshman**  
Executive Chairman

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## Auditor's Certificate on Corporate Governance

**To the Members of  
Rane Holdings Limited**

We have examined the compliance of conditions of Corporate Governance by **Rane Holdings Limited** ("the Company") for the year ended 31 March, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review of 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.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No: 008072S)

**GEETHA SURYANARAYANAN**  
Partner  
(Membership No: 29519)

Chennai, May 26, 2015

# Annexure-D

## Extract of Annual Return

as on the financial year ended on 31 March, 2015

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

### I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	:	L35999TN1936PLC002202
(ii)	Registration Date	:	3 <sup>rd</sup> March 1936
(iii)	Name of the Company	:	<b>Rane Holdings Limited</b>
(iv)	Category / Sub-Category of the Company	:	Public Company – Limited by Shares – Indian Non-Government Company
(v)	Address of the Registered office and contact details	:	'Maithri' No.132, Cathedral Road, Chennai – 600 086 E-mail: investorservices@rane.co.in Phone: 044 – 2811 2472; Fax: 044 – 2811 2449
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Integrated Enterprises (India) Limited II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017. E-mail: corpserve@integratedindia.in Phone: 044 2814 0801; Fax: 044 2814 2479

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Trademark fees	774-7740-77400	33.6%
2	Dividend income	642-6420-64200	22.6%
3	Information technology support service	620-6202-62020	16.8%
4	Management consultancy service	702-7020-70200	15.4%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No.	Name of the company	Address of the company	CIN/GLN	% of shares held	Applicable Section
Subsidiary Companies					
1	Rane (Madras) Ltd.	'Maithri' No.132, Cathedral Road, Chennai – 600004 Tamil Nadu	L65993TN2004PLC052856	56.3%	2(46)
2	Rane Engine Valve Ltd.		L74999TN1972PLC006127	51.1%	
3	Rane Brake Lining Ltd.		L63011TN2004PLC054948	46.1%	
4	Rane Holdings America Inc.	4830, Bonie Court, West Bloomfield, MI- 48322	MAWAZ20110873	100.0%	
Joint Venture Companies					
5	Rane TRW Steering Systems Private Ltd.	'Maithri' No.132, Cathedral Road, Chennai – 600004 Tamil Nadu	U35999TN1987PTC014600	50.0%	2(6)
6	Rane NSK Steering Systems Private Ltd.		U29141TN1995PTC030621	49.0%	
7	JMA Rane Marketing Ltd.	2E/5 Jhandewalan Extension, New Delhi - 110055	U51909DL1991PLC042645	49.0%	
Associate Company					
8	SasMos HET Technologies Ltd.	Block GA, NPR Complex, Plot No.311, Survey No.197 Hoody Village, K.R. Puram Hobli, Bangalore East Taluk, Bangalore, Karnataka - 560048	U72900KA2007PLC044415	45.2%	2(6)

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

## i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]			No. of Shares held at the end of the year [As on 31-March-2015]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
<b>A. Promoter(s)</b>							
<b>(1) Indian</b>							
a) Individual/ HUF	32,48,127	-	32,48,127	32,48,127	-	32,48,127	22.75
b) Central Govt	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>32,48,127</b>	<b>-</b>	<b>32,48,127</b>	<b>32,48,127</b>	<b>-</b>	<b>32,48,127</b>	<b>22.75</b>
<b>(2) Foreign</b>							
a) NRIs – Individuals	33,77,662	-	33,77,662	33,77,662	-	33,77,662	23.66
b) Other – Individuals	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>33,77,662</b>	<b>-</b>	<b>33,77,662</b>	<b>33,77,662</b>	<b>-</b>	<b>33,77,662</b>	<b>23.66</b>
<b>Total Promoter Shareholding (A) = (A)(1) + (A)(2)</b>	<b>66,25,789</b>	<b>-</b>	<b>66,25,789</b>	<b>66,25,789</b>	<b>-</b>	<b>66,25,789</b>	<b>46.41</b>
<b>B. Public Shareholding</b>							
<b>1. Institutions</b>							
a) Mutual Funds	3,00,000	150	3,00,150	11,05,918	150	11,06,068	7.75
b) Banks / FI	361	3,659	4020	1660	3659	5319	0.04
c) Central Govt	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	6,79,573	-	6,79,573	6,79,573	-	6,79,573	4.76
g) FIs	2,69,638	-	2,69,638	9491	-	9491	0.07
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-1.82
i) Others (specify)	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>12,49,572</b>	<b>3,809</b>	<b>12,53,381</b>	<b>17,96,642</b>	<b>3,809</b>	<b>18,00,451</b>	<b>12.61</b>
<b>Sub-total (B)(1):-</b>							<b>3.83</b>

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2014]				No. of Shares held at the end of the year [As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	17,00,733	2838	17,03,571	11.93	9,41,994	2838	9,44,832	6.62	-5.31
ii) Overseas	15,41,125	-	15,41,125	10.79	5,41,125	-	5,41,125	3.79	-7.00
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	19,44,849	3,31,991	22,76,840	15.95	20,31,418	3,00,240	23,31,658	16.33	0.38
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	15,99,689	54,294	16,53,983	11.58	17,71,926	54,294	18,26,220	12.79	1.21
<b>c) Others</b>									
Non Resident Indians	46,966	2163	49,129	0.34	57,546	2160	59,706	0.42	0.07
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	25,389	-	25,389	0.18	4,868	-	4,868	0.03	-0.14
Trusts	6,000	-	6,000	0.04	-	-	-	-	-0.04
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Limited Liability Partnership	60,000	-	60,000	0.42	63,099	-	63,099	0.44	0.02
Individual CM/TM Client Beneficiary	282	-	282	-	50	-	50	-	-
Rane Holdings Limited - Unclaimed Shares Suspense Account	82,320	-	82,320	0.58	80,011	-	80,011	0.56	-0.02
<b>Sub-total (B)(2):-</b>	<b>60,07,353</b>	<b>3,91,286</b>	<b>63,98,639</b>	<b>44.82</b>	<b>54,92,037</b>	<b>3,59,532</b>	<b>58,51,569</b>	<b>40.98</b>	<b>-3.83</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>72,56,925</b>	<b>3,95,095</b>	<b>76,52,020</b>	<b>53.59</b>	<b>72,88,679</b>	<b>3,63,341</b>	<b>76,52,020</b>	<b>53.59</b>	<b>-</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>1,38,82,714</b>	<b>3,95,095</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>1,39,14,468</b>	<b>3,63,341</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>-</b>

## (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	At the beginning of the year			At the end of the year			
			% of total Shares of the company	%of Shares Pledged / encumbered to total shares		% of total Shares of the company	%of Shares Pledged / encumbered to total shares	% Change in share holding during the year
1	Raman T G G	14,84,056	10.39	-	14,84,056	10.39	-	-
2	Ganesh L & Meenakshi Ganesh	7,12,196	4.99	-	7,12,196	4.99	-	-
3	Lakshman L & Pushpa Lakshman	6,62,940	4.64	-	6,62,940	4.64	-	-
4	Rathika R Sundaresan	6,25,066	4.38	-	6,25,066	4.38	-	-
5	Ranjini R Iyer	6,25,065	4.38	-	6,25,065	4.38	-	-
6	Geetha Raman Subramanyam	6,25,065	4.38	-	6,25,065	4.38	-	-
7	Meenakshi Ganesh & Ganesh L	3,05,430	2.14	-	3,05,430	2.14	-	-
8	Vanaja Aghoram	2,75,635	1.93	-	2,75,635	1.93	-	-
9	Lakshman L (HUF)	2,16,986	1.52	-	2,16,986	1.52	-	-
10	Pushpa Lakshman & Lakshman L	1,95,199	1.37	-	1,95,199	1.37	-	-
11	Ganesh L (HUF)	1,91,907	1.34	-	1,91,907	1.34	-	-
12	Shanthi Narayan	1,35,722	0.95	-	1,35,722	0.95	-	-
13	Harish Lakshman	1,24,817	0.87	-	1,24,817	0.87	-	-
14	Aditya Ganesh	1,14,281	0.80	-	1,14,281	0.80	-	-
15	Vinay Lakshman	1,06,698	0.75	-	1,06,698	0.75	-	-
16	Aparna Ganesh	68,511	0.48	-	68,511	0.48	-	-
17	T G Ramani	61,452	0.43	-	61,452	0.43	-	-
18	Lakshman L	39,620	0.28	-	39,620	0.28	-	-
19	Malavika Lakshman	18,657	0.13	-	18,657	0.13	-	-
20	Rekha Sundar	15,610	0.11	-	15,610	0.11	-	-
21	Chitra Sundaresan	12,709	0.09	-	12,709	0.09	-	-
22	Suchitra Narayan	2,979	0.02	-	2,979	0.02	-	-
23	Pravin Kumar	2,800	0.02	-	2,800	0.02	-	-
24	Sumant Narayan	2,223	0.02	-	2,223	0.02	-	-
25	Keshav Harish Lakshman	100	-	-	100	-	-	-
26	Malavika Lakshman & Harish Lakshman	65	-	-	65	-	-	-
	TOTAL	66,25,789	46.41	-	66,25,789	46.41	-	

## (iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	66,25,789	46.41	66,25,789	46.41
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No change			
At the end of the year	66,25,789	46.41	66,25,789	46.41



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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	% of Total shares of the Company	Reason	Cumulative Shareholding during the Year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the Company					No. of Shares	% of total shares of the Company
1	Ares Investments	1000000	7.00	30/05/2014	-180000	-1.26	Transfer	820000	5.74
				06/06/2014	-70898	-0.50	Transfer	749102	5.25
				20/06/2014	-14820	-0.10	Transfer	734282	5.14
				30/06/2014	-187450	-1.31	Transfer	546832	3.83
				22/08/2014	-275000	-1.93	Transfer	271832	1.90
				29/08/2014	-252102	-1.77	Transfer	19730	0.14
				05/09/2014	-19730	-0.14	Transfer	0	0.00
2	Nisshinbo Holdings Inc.	541125	3.79	-	-	-	-	541125	3.79
3	United India Insurance Company Limited	431396	3.02	-	-	-	-	431396	3.02
4	Enam Shares & Securities Private Limited	431396	3.02	-	-	-	-	431396	3.02
5	Sundaram Mutual Fund A/c SMILE Fund	300000	2.10	20/06/2014	1722	0.01	Purchase	301722	2.11
				30/06/2014	52710	0.37	Purchase	354432	2.48
				22/08/2014	98599	0.69	Purchase	453031	3.17
				05/09/2014	22765	0.16	Purchase	475796	3.33
				12/09/2014	5560	0.04	Purchase	481356	3.37
				19/09/2014	10883	0.08	Purchase	492239	3.45
				30/09/2014	20911	0.15	Purchase	513150	3.59
				03/10/2014	24	0.00	Purchase	513174	3.59
				10/10/2014	782	0.01	Purchase	513956	3.60
				24/10/2014	384	0.00	Purchase	514340	3.60
				31/10/2014	405	0.00	Purchase	514745	3.61
				07/11/2014	227	0.00	Purchase	514972	3.61
				14/11/2014	4756	0.03	Purchase	519728	3.64
				21/11/2014	1927	0.01	Purchase	521655	3.65
				28/11/2014	262603	1.84	Purchase	784258	5.49
				05/12/2014	4000	0.03	Purchase	788258	5.52
				12/12/2014	-5638	-0.04	Transfer	782620	5.48
				19/12/2014	-111	0.00	Transfer	782509	5.48
				02/01/2015	5000	0.04	Purchase	787509	5.52

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	% of Total shares of the Company	Reason	Cumulative Shareholding during the Year (01-04-2014 to 31-03-2015)	
		No. of Shares	% of total shares of the Company					No. of Shares	% of total shares of the Company
6	Morgan Stanely Asia (Singapore) PTE.	269638	1.89	30/05/2014	-6843	-0.05	Transfer	262795	1.84
				11/07/2014	-904	-0.01	Transfer	261891	1.83
				28/11/2014	-261891	-2.58	Transfer	0	0.00
7	General Insurance Corporation of India	541125	3.79	-	-	-	-	541125	3.79
8	Kumari Investment Corporation Private Limited	147050	1.03	27/06/2014	-80300	-0.56	Transfer	66750	0.47
				30/06/2014	80300	0.56	Purchase	147050	1.03
				31/07/2014	-80300	-0.56	Transfer	66750	0.47
				01/08/2014	80300	0.56	Purchase	147050	1.03
9	Accolade Finvest Private Limited	113000	0.79	-	-	-	-	113000	0.79
		113000	0.79	-	-	-	-	113000	0.79
		100000	0.70	25/04/2014	12190	0.09	Purchase	112190	0.79
				02/05/2014	810	0.01	Purchase	113000	0.79
				09/05/2014	2507	0.02	Purchase	115507	0.81
				16/05/2014	1301	0.01	Purchase	116808	0.82
				13/06/2014	8776	0.06	Purchase	125584	0.88
				20/06/2014	2061	0.01	Purchase	127645	0.89
10	Anil Kumar Goel			18/07/2014	55	0.00	Purchase	127700	0.89
				22/08/2014	6300	0.04	Purchase	134000	0.94
				29/08/2014	70148	0.49	Purchase	204148	1.43
				30/09/2014	852	0.01	Purchase	205000	1.44
				28/11/2014	100	0.00	Purchase	205100	1.44
				27/02/2015	4384	0.03	Purchase	209484	1.47
				06/03/2015	516	0.00	Purchase	210000	1.47
				31/03/2015	319	0.00	Purchase	210319	1.47

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>				
Mr. L Lakshman	7,02,560	4.92	7,02,560	4.92
Mr. L Ganesh	7,12,196	4.99	7,12,196	4.99
Mr. Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Mr. Anil Kumar Nehru	-	-	-	-
Mr. Shujaat Khan	-	-	-	-
Mr. Anjani Kumar Choudhari	-	-	-	-
Dr. Sheela Bhide	-	-	-	-
Mr. C Siva (Company Secretary)	-	-	-	-
Mr. J. Ananth (CFO)	-	-	-	-
Date wise Increase / Decrease in directors and key managerial personnel during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
<b>At the end of the year</b>				
Mr. L Lakshman	7,02,560	4.92	7,02,560	4.92
Mr. L Ganesh	7,12,196	4.99	7,12,196	4.99
Mr. Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Mr. Anil Kumar Nehru	-	-	-	-
Mr. Shujaat Khan	-	-	-	-
Mr. Anjani Kumar Choudhari	-	-	-	-
Dr. Sheela Bhide	-	-	-	-
Mr. C Siva (Company Secretary)	-	-	-	-
Mr. J. Ananth (CFO)	-	-	-	-

V. INDEBTEDNESS:

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

₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

Note: The company does not have any outstanding loans at the beginning of the year and have not availed any further loans during the year.

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

		₹		
Sl. No.	Particulars of Remuneration	Managing Director	Joint Managing Director	Total Amount
		Mr. L Lakshman	Mr. L Ganesh	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	55,24,257	85,20,203	1,40,44,460
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	22,90,501	16,50,650	39,41,151
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	9,18,637	14,83,952	24,02,589
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	84,24,000	-	84,24,000
5	Others, please specify	-	-	-
<b>Total (A)</b>		<b>1,71,57,395</b>	<b>1,16,54,805</b>	<b>2,88,12,200</b>

Ceiling as per the Act (being 10% of net profits calculated as per section 198 of the Companies Act, 2013)

3,64,21,238

**B. Remuneration to other Directors:**

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr. L Lakshman	Mr. L Ganesh	Mr. Harish Lakshman	Mr. Shujaat Khan	Mr. Anil Kumar Nehru	Mr. Anjanikumar Choudhari	Dr. Sheela Bhide	
<b>1</b>	<b>Independent Directors</b>								
a	Fee for attending board / committee meetings	-	-	-	80,000	2,07,500	2,00,000	90,000	5,77,500
b	Commission	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-
<b>Total B (1)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>2,07,500</b>	<b>2,00,000</b>	<b>90,000</b>	<b>5,77,500</b>
<b>2</b>	<b>Other Non-Executive Directors</b>								
a	Fee for attending board / committee meetings	-	-	1,72,500	-	-	-	-	1,72,500
b	Commission	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-
<b>Total B (2)</b>		<b>-</b>	<b>-</b>	<b>1,72,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,72,500</b>
<b>Total B(1) + B(2)</b>		<b>-</b>	<b>-</b>	<b>1,72,500</b>	<b>80,000</b>	<b>2,07,500</b>	<b>2,00,000</b>	<b>90,000</b>	<b>7,50,000</b>
<b>Grand Total (A + B)</b>									<b>2,95,62,200</b>
Ceiling as per the Act (being 11% of net profits calculated as per section 198 of the Companies Act, 2013)									<b>4,00,63,362</b>

### C. Remuneration to Key Managerial Personnels:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. C Siva Secretary	Mr. J Ananth Chief Financial Officer (CFO)	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,53,262	27,89,289	66,42,551
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	21,089	5,789	26,878
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	6,18,850	1,97,686	8,16,536
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
<b>Total (C)</b>		<b>44,93,201</b>	<b>29,92,764</b>	<b>74,85,965</b>

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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NIL

# Independent Auditors' Report

## TO THE MEMBERS OF RANE HOLDINGS LIMITED Report on the Standalone Financial Statements

We have audited the accompanying financial statements of RANE HOLDINGS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profits and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31 March 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements.
- ii. The Company does not have any long-term contracts including derivative contracts
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

For **DELOITTE HASKINS & SELLS**

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

**GEETHA SURYANARAYANAN**

Partner

Chennai, 26 May 2015

Membership No. 29519



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business/ activities/results during the year, clauses 3(ii), 3 (vi), 3(ix), 3(x) and 3(xi) of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
  - (a) The receipts of principal amounts and interest have been regular/as per stipulations.
  - (b) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and the rendering of services and during the course of our audit, we have not observed any major weaknesses in such internal control system. The nature of activities of the Company does not involve purchase of inventories and sale of goods.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vi) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, VAT, Customs Duty, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, VAT, Customs duty, Service Tax, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Income tax, Service Tax, Customs Duty which have not been deposited as on 31 March 2015 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount Relates	Amount (₹ in lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-2006	35
		Commissioner of Income Tax (Appeals)	2008-2009	342
		Assessing Officer	2009-2010	39
		Income Tax Appellate Tribunal	2010-2011	222
		Commissioner of Income Tax (Appeals)	2011-2012	412
		Commissioner of Income Tax (Appeals)	2012-2013	42
Customs Act, 1962	Customs Duty	Customs, Excise & Service Tax Appellate Tribunal	2012-2013	6

- (d) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) The Company does not have accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**GEETHA SURYANARAYANAN**  
Partner  
Membership No.29519

Chennai, 26 May 2015

# Balance Sheet

as at 31 March, 2015

₹ Lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	1,428	1,428
(b) Reserves and Surplus	4	26,878	25,521
		<b>28,306</b>	<b>26,949</b>
<b>(2) Non-Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	5	64	84
		<b>64</b>	<b>84</b>
<b>(3) Current Liabilities</b>			
(a) Trade payables	6	153	290
(b) Other current liabilities	7	255	190
(c) Short-term provisions	8	1,439	1,213
		<b>1,847</b>	<b>1,693</b>
<b>Total</b>		<b>30,217</b>	<b>28,726</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	5,110	5,194
(ii) Intangible assets	9	21	4
(b) Non-current investments	10	22,245	20,835
(c) Long-term loans and advances	11	716	1,284
		<b>28,092</b>	<b>27,317</b>
<b>(2) Current Assets</b>			
(a) Current investments	12	1,255	731
(b) Trade receivables	13	375	108
(c) Cash and bank balances	14	132	387
(d) Short-term loans and advances	15	358	177
(e) Other current assets	16	5	6
		<b>2,125</b>	<b>1,409</b>
<b>Total</b>		<b>30,217</b>	<b>28,726</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Statement of Profit and Loss

## for the year ended 31 March, 2015

₹ Lakhs

Particulars	Note No.	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>I. Revenue from operations</b>	17	5,862	5,224
<b>II. Other Income</b>	18	132	126
<b>III. Total Revenue (I + II)</b>		<b>5,994</b>	<b>5,350</b>
<b>IV. Expenses:</b>			
Employee benefit expense	19	1,067	882
Finance costs	20	4	28
Depreciation and amortisation expense	9	127	92
Other expenses	21	1,528	1,553
<b>Total Expenses</b>		<b>2,726</b>	<b>2,555</b>
<b>V. Profit before tax (III - IV)</b>		<b>3,268</b>	<b>2,795</b>
<b>VI. Tax expense:</b>			
(1) Current tax		696	617
(2) Deferred tax		(20)	5
Net tax expense/(benefit)		676	622
<b>VII. Profit for the year (V - VI)</b>		<b>2,592</b>	<b>2,173</b>
<b>VIII. Earning per equity share (of ₹10 each):</b>	32		
(1) Basic (in ₹)		18.16	15.22
(2) Diluted (in ₹)		18.16	15.22

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Cashflow Statement

## for the year ended 31 March, 2015

₹ Lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>A. Cash flow from operating activities</b>		
Profit before tax	3,268	2,795
Adjustments for:		
Depreciation and amortisation	127	92
Wealth Tax	40	40
Finance costs	4	28
Interest income	(60)	(104)
Dividend Income from Current Investments	(62)	(21)
	49	35
<b>Operating profit before working capital changes</b>	<b>3,317</b>	<b>2,830</b>
<b>Changes in working capital</b>		
Adjustments for (Increase) / Decrease in operating assets:		
(Increase) / Decrease in trade receivables	(267)	(35)
(Increase) / Decrease in short-terms loans and advances	43	13
Adjustments for Increase / (Decrease) in operating liabilities:		
Increase / (Decrease) in trade payables	(137)	46
Increase / (Decrease) in other current liabilities	67	26
Increase / (Decrease) in short-term provisions	23	-
	(271)	50
Cash generated from operations	3,046	2,880
Direct Taxes paid	(895)	(683)
<b>Net cash flow from operating activities (A)</b>	<b>2,151</b>	<b>2,197</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(61)	(79)
Proceeds from sale of fixed assets	1	1
Purchase of long-term investments		
- Subsidiaries	(387)	(365)
- Others	(1,023)	(2)
Loan repaid by related parties	749	-
Loan given to related parties	(249)	(200)
Interest received	61	155
Dividend received from Current Investments	62	21
<b>Net cash flow used in investing activities (B)</b>	<b>(847)</b>	<b>(469)</b>

₹ Lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	-	(325)
Finance cost	-	(31)
Dividends paid	(928)	(643)
Tax on dividend	(103)	(63)
<b>Net cash flow used in financing activities (C)</b>	<b>(1,031)</b>	<b>(1,062)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>273</b>	<b>666</b>
Cash and cash equivalents at the beginning of the year	387	451
Add: Current investments considered as Cash & cash equivalents	731	-
Less: Unclaimed Dividend Bank Account	46	45
Adjusted Cash & Cash Equivalents as at Beginning of the year	1,072	406
Cash and cash equivalents at the end of the year (Note 14)	132	387
Add: Current Investments considered as Cash & cash Equivalents (Note 12)	1,255	731
Less: Unclaimed Dividend Bank Account	42	46
<b>Adjusted Cash and cash equivalents at the end of the year</b>	<b>1,345</b>	<b>1,072</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Notes Forming Part of the Financial Statements

for the year ended 31 March, 2015

## 1 BRIEF ABOUT THE COMPANY

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 manufacture and marketing of auto components. The Rane Group's investment profile includes subsidiaries, joint ventures and associates. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/ Companies Act 1956, ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Also refer Note 35.

### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

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.

### 2.4 Cash flow statement

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

### 2.5 Depreciation and amortisation

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

Vehicles - 5 Years

Furniture and Fittings - 5 Years

Office Equipment - 3 Years

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

Intangible assets are amortised over their estimated useful life as follows:

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

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

### 2.6 Revenue recognition

#### 2.6.1 Service Fee and Trade Mark Fee

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

#### 2.6.2 Other Income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

## 2.7 Fixed Assets

### 2.7.1 Tangible Fixed Assets

Fixed assets are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

### 2.7.2 Intangible Fixed 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 taxing authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

## 2.8 Investments

### 2.8.1 Long-term Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

### 2.8.2 Current Investments

Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

## 2.9 Employee benefits

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

### 2.9.1 Defined contribution plans

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

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

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

### 2.9.2 Defined benefit plans

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

### 2.9.3 Short-term employee benefits

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

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

### 2.9.4 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which



the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

## 2.10 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

## 2.11 Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

## 2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable Income tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing

differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

## 2.13 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment, if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss.

## 2.14 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made.

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

Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable

estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

#### **2.15 Service Tax Input Credit**

Service tax input credit is accounted for in the books,

in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credit.

#### **2.16 Operating cycle**

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

### 3 SHARE CAPITAL

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Authorised:</b>		
Equity Shares:		
1,50,00,000 Shares (1,50,00,000 Shares) of ₹10 each	1,500	1,500
Preference Shares:		
50,00,000 Shares (50,00,000 Shares) 13.5% Cumulative Redeemable Preference Shares of ₹10 each	500	500
<b>(b) Issued, Subscribed and Fully Paid Up:</b>		
<b>Equity Shares:</b>		
1,42,77,809 Shares (Previous Year - 1,42,77,809 Shares) of ₹ 10 each	1,428	1,428

#### 3.1 Terms / Rights attached to Equity Shares:

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting, except in the case of interim dividend.

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. There are no restrictions attached to the equity shares.

#### 3.2 Details of shares held by each shareholder holding more than 5% shares:

Class of Shares/ Name of Shareholder/ Equity shares with voting rights	As at 31 March, 2015		As at 31 March, 2014	
	No of Shares	% of Holding	No of Shares	% of Holding
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Ares Investments	-	-	10,00,000	7.00%

#### 3.3 There is no change in the number of shares at the beginning of the year and end of the year.

## 4 RESERVES AND SURPLUS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
a. Capital Redemption Reserve (Refer Note 4.1)	550	550
b. Capital Subsidy	15	15
c. Securities Premium Account	4,433	4,433
d. General Reserve on Merger (Refer Note 4.2)	819	819
<b>e. General Reserve:</b>		
Opening Balance	11,460	11,243
Add: Transfer from Surplus in Statement of Profit and Loss	8,313	217
<b>Closing Balance</b>	<b>19,773</b>	<b>11,460</b>
<b>f. Net surplus in Statement of Profit and Loss</b>		
Opening Balance	8,244	7,327
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Refer Note 33)	1	-
Add :		
Profit for the year	2,592	2,173
Less :		
Final Dividend @ 75 % (Previous Year @ 65%)	1,071	928
Tax on dividend (Net of dividend tax on dividend distributed by subsidiaries available for set off)	163	111
Transfer to General Reserve	8,313	217
<b>Net surplus in the Statement of Profit and Loss</b>	<b>1,288</b>	<b>8,244</b>
<b>Total Reserves and Surplus</b>	<b>26,878</b>	<b>25,521</b>

**4.1** Capital Redemption Reserve represents amount transferred from Statement of Profit and Loss in accordance with Section 80(1)(d) of the Companies Act, 1956 on redemption of preference shares in the previous years.

**4.2** General Reserve on merger represents ₹819 Lakhs arising out of the amalgamation of Rane Investments Limited, a wholly owned subsidiary as approved by the shareholders of the Company and sanctioned by the High Court of Judicature at Madras effect from 1 April, 2009.

## 5 DEFERRED TAX LIABILITIES (Net)

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	102	114
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>102</b>	<b>114</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On expenditure related to employee benefits	38	30
<b>Tax effect of items constituting deferred tax asset (B)</b>	<b>38</b>	<b>30</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>64</b>	<b>84</b>

## 6 TRADE PAYABLES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
- Others (Refer Note 25)	153	290
<b>Total Trade Payables</b>	<b>153</b>	<b>290</b>

## 7 OTHER CURRENT LIABILITIES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Unclaimed dividends	42	46
Statutory Remittances (includes TDS, PF, VAT )	63	57
Retention money payable	-	1
Gratuity (Refer Note 26(ii))	51	18
Advance received from customers	38	8
Payables on purchase of fixed assets	2	-
Others (Refer Note 24.2)	59	60
<b>Total Other Current Liabilities</b>	<b>255</b>	<b>190</b>

## 8 SHORT TERM PROVISIONS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Provision for Compensated absences (Refer Note 26 (iii))	110	87
Provision for Wealth Tax	40	40
Provision for proposed equity dividend	1,071	928
Provision for tax on proposed dividend	218	158
<b>Total Short Term Provisions</b>	<b>1,439</b>	<b>1,213</b>

## 9 FIXED ASSETS

	Gross Block			Accumulated Depreciation and Amortisation				Net Block		₹ Lakhs	
	As at 01 April, 2014	Additions	Disposals	As at 31 March, 2015	As at 01 April, 2014	For the year	Transition adjustment against opening reserves (Refer Note 4)	Disposals	As at 31 March, 2015		As at 31 March, 2015
A. Tangible assets											
Land	3,989 (3,989)	-	-	3,989 (3,989)	-	-	-	-	3,989 (3,989)	3,989 (3,989)	3,989 (3,989)
Buildings	1,076 (1,065)	-	-	1,076 (1,076)	152 (133)	18 (19)	-	-	170 (152)	906 (924)	924 (932)
Plant and Machinery	12 (12)	8	-	20 (12)	5 (5)	1 (1)	1	-	7 (5)	13 (7)	7 (7)
Electrical Equipment	118 (106)	1	-	119 (118)	34 (29)	19 (5)	1	-	54 (34)	65 (84)	84 (77)
Furniture and Fixtures	219 (166)	19 (59)	8 (6)	230 (219)	88 (64)	40 (29)	-	6 (5)	122 (88)	108 (131)	131 (102)
Vehicles	22 (22)	1	-	23 (22)	22 (22)	-	-	-	22 (22)	1 (-)	-
Office Equipments	249 (206)	9 (44)	-	258 (249)	190 (155)	40 (36)	-	-	230 (190)	28 (59)	59 (51)
Total Tangible Assets	5,685 (5,566)	38 (126)	8 (7)	5,715 (5,685)	491 (408)	118 (89)	2	6 (6)	605 (491)	5,110 (5,194)	5,194 (5,158)
Previous year											
B. Intangible assets											
Computer Software Licenses	28 (28)	26	-	54 (28)	24 (21)	9 (3)	-	-	33 (24)	21 (4)	4 (7)
Total Intangible Assets	28 (28)	26	-	54 (28)	24 (21)	9 (3)	-	-	33 (24)	21 (4)	4 (7)
Previous year											
Total Tangible & Intangible Assets (A + B)	5,713 (5,594)	64 (126)	8 (7)	5,769 (5,713)	515 (429)	127 (92)	2	6 (6)	638 (515)	5,131 (5,198)	5,198 (5,165)
Previous year											

## 10 NON-CURRENT INVESTMENTS (at cost)

₹ Lakhs

	Face Value	No. of Shares	As at 31 March, 2015	No. of Shares	As at 31 March, 2014
<b>Trade</b>					
<b>Investment in Equity instruments (fully paid up)</b>					
<b>(i) Subsidiary Companies</b>					
<b>Quoted:</b>					
Rane (Madras) Limited	10	59,16,272	6,597	59,16,272	6,597
Rane Engine Valve Limited (Refer Note 10.1)					
- Equity Shares allotted	10	28,09,686	7,695	27,59,686	7,529
- Shares to be allotted pursuant to scheme of Amalgamation	10	6,21,368	637	-	-
Rane Brake Lining Limited	10	36,48,311	1,607	35,77,175	1,386
<b>Unquoted:</b>					
Rane Holdings America Inc.	\$1	20,000	10	20,000	10
<b>(ii) Associate Companies</b>					
<b>Quoted:</b>					
Kar Mobiles Limited (Refer Note 10.1)	10	-	-	8,86,369	634
<b>Unquoted:</b>					
SasMos HET Technologies Limited (Refer Note 10.2)	10	6,11,399	1,719	3,51,400	699
<b>(iii) Joint Venture Companies</b>					
<b>Unquoted:</b>					
Rane TRW Steering Systems Private Limited	10	43,69,123	2,332	43,69,123	2,332
Rane NSK Steering Systems Private Limited	10	87,71,000	1,012	87,71,000	1,012
JMA Rane Marketing Limited	10	3,60,003	36	3,60,003	36
<b>(iv) Other Entities</b>					
<b>Unquoted:</b>					
Wellington Corporate Foundation	10	60	-	60	-
[60 shares of ₹10/- each costing ₹1,000/-]					
<b>Investment in Cumulative Redeemable Preference Shares (fully paid up)</b>					
<b>(i) Subsidiary Companies</b>					
<b>Unquoted:</b>					
Rane (Madras) Limited	10	82,32,164	600	82,32,164	600
<b>Total Non-Current Investments</b>			<b>22,245</b>		<b>20,835</b>
<b>Aggregate value of Investments:</b>					
Quoted at Cost			16,535		16,145
At Market Value			49,986		21,801
Unquoted at Cost			5,709		4,689

**10.1** A Scheme of Amalgamation ("Scheme") approved by the shareholders of Rane Engine Valve Limited (REVL) and Kar Mobiles Limited (KML) with effect from 1 April, 2014 was sanctioned by the Honourable High Court of Judicature at Madras on 26 February, 2015 which was filed with the Registrar of Companies on 1 April, 2015. Pursuant to the scheme, the company is entitled to receive 6,21,368 equity shares of ₹10/- each of REVL in exchange for 8,87,669 equity shares of ₹10/- each held by the Company in KML. As at 31 March, 2015, REVL has not allotted the equity shares to the Company and accordingly, the cost of investment in KML has been disclosed as "Shares to be allotted pursuant to the Scheme of Amalgamation". REVL has allotted the shares to the Company on 04 May, 2015.

**10.2** The Company acquired 19.24% in the equity share capital of SasMos HET Technologies Ltd from Lumipol International B.V., a Netherland based company, on 26 November, 2014, taking its total shareholding in SasMos to 45.24%.



## 11 LONG-TERM LOANS AND ADVANCES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to related parties (Refer Note 28)	-	725
Security Deposits	3	3
Advance Tax [Net of Provision ₹3,755 lakhs (Previous Year ₹3,059 lakhs)]	713	556
<b>Total Long-term Loans and Advances</b>	<b>716</b>	<b>1,284</b>

## 12 CURRENT INVESTMENTS

	NAV	No. of Units	₹ Lakhs	
			As at 31 March, 2015	As at 31 March, 2014
<b>Unquoted:</b>				
Investments in Mutual Funds				
- HDFC Liquid Fund - Dividend Daily Reinvestment	10.1982	31,32,254	319	71,67,392
- Birla Sun Life Mutual Fund - Dividend Daily Reinvestment	100.1950	9,34,076	936	-
<b>Total Current Investments</b>			<b>1,255</b>	<b>731</b>
Note: Of the above, the balances that meet the definition of Cash & Cash equivalents as per AS 3 Cash Flow Statement			1,255	731

## 13 TRADE RECEIVABLES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good</b>		
- Outstanding for a period exceeding six months from the due date of payment	-	-
- Other trade receivables (Refer Note below)	375	108
<b>Total Trade Receivables</b>	<b>375</b>	<b>108</b>
<b>Note: Includes dues from related parties (Refer Note 28)</b>		
<b>Name of the Company</b>		
Rane (Madras) Limited	140	-
Rane Engine Valve Limited	112	61
Rane TRW Steering Systems Private Limited	113	44
Rane NSK Steering Systems Private Limited	-	3
SasMos HET Technologies Limited	10	-
<b>Total Trade receivables</b>	<b>375</b>	<b>108</b>

## 14 CASH AND BANK BALANCES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Cash and Cash equivalents</b>		
- Cash on hand	2	1
<b>Balances with Banks</b>		
- In Current Accounts	88	340
<b>Other Bank balances</b>		
In earmarked accounts:		
- Unclaimed Dividend accounts	42	46
<b>Total Cash and bank balances</b>	<b>132</b>	<b>387</b>
<b>Note:</b> Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Cash and Cheques, drafts on hand and balances with banks in current accounts	90	341

## 15 SHORT-TERM LOANS AND ADVANCES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid Expenses	76	112
Security Deposits	9	10
Service Tax credit receivable	18	16
Others (includes advances to suppliers & employees)	30	39
Loans and advances to related parties (Refer Note 28)	225	-
<b>Total Short-Term Loans and Advances</b>	<b>358</b>	<b>177</b>

## 16 OTHER CURRENT ASSETS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Interest accrued but not due on loan to related parties (Refer Note 28)	5	6
<b>Total Other Current assets</b>	<b>5</b>	<b>6</b>

## 17 REVENUE FROM OPERATIONS

	₹ Lakhs	
Description	Year Ended 31 March, 2015	Year Ended 31 March, 2014
Dividend from Non-Current Investments		
- Subsidiaries	671	341
- Other companies	655	699
Service Fee	2,564	2,428
Trade Mark Fee	1,972	1,756
<b>Total Revenue from Operations</b>	<b>5,862</b>	<b>5,224</b>

**18 OTHER INCOME**

	₹ Lakhs	
	Year Ended 31 March, 2015	Year Ended 31 March, 2014
Interest Income		
- From loans to related parties	60	104
Dividend Income from Current Investments	62	21
Miscellaneous Income	10	1
<b>Total Other Income</b>	<b>132</b>	<b>126</b>

**19 EMPLOYEE BENEFITS EXPENSES (Refer note 26)**

	₹ Lakhs	
	Year Ended 31 March, 2015	Year Ended 31 March, 2014
Salaries and Wages	868	745
Contribution to Provident and other funds	131	88
Staff welfare expenses	68	49
<b>Total Employee Benefits Expenses</b>	<b>1,067</b>	<b>882</b>

**20 FINANCE COSTS**

	₹ Lakhs	
	Year Ended 31 March, 2015	Year Ended 31 March, 2014
Interest expense		
- On Borrowings	-	28
- Others	4	-
<b>Total Finance Costs</b>	<b>4</b>	<b>28</b>

## 21 OTHER EXPENSES

	₹ Lakhs	
	Year Ended 31 March, 2015	Year Ended 31 March, 2014
Power and fuel	31	30
Rent (Refer Note 31)	94	117
Repairs & Maintenance		
- Buildings	51	76
- Others	29	32
Insurance	18	17
Rates and Taxes	53	63
Travelling and Conveyance	132	111
Professional Charges	311	230
Information Systems expenses	508	539
Advertisement and Sales Promotion	47	85
Directors' Sitting Fees	8	5
Executive Chairman's Commission	84	78
Auditors' Remuneration		
- statutory audit	10	10
- tax audit	1	1
- other services	15	15
Donation	66	79
Administrative Expenses	68	62
Miscellaneous Expenses	2	3
<b>Total Other Expenses</b>	<b>1,528</b>	<b>1,553</b>

The Company has incurred an amount of ₹66.25 Lakhs towards Corporate Social Responsibility activities during the current year ended 31 March, 2015.

## 22 EXPENDITURE IN FOREIGN CURRENCY

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>Particulars</b>		
Professional and consultation fees	36	26
Travel	10	4
	<b>46</b>	<b>30</b>

## 23 REMITTANCE DURING THE YEAR OF DIVIDENDS IN FOREIGN CURRENCY

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>Particulars</b>		
<b>Final Dividend</b>		
Number of Shareholders	1	1
Number of Shares held	5,41,125	5,41,125
Amount paid as Final Dividend (₹ Lakhs)	35	24
Year for which dividend is remitted	2013-14	2012-13

## 24 CONTINGENT LIABILITIES AND COMMITMENTS

		₹ Lakhs	
Particulars		As at	As at
		31 March, 2015	31 March, 2014
<b>24.1 Contingent Liabilities to the extent not provided for</b>			
Guarantees		-	300
Disputed demands under appeal (Refer below)		1,834	1,788
<b>Income Tax Act - Assessment Year (AY)</b>			
2005-2006*		72	72
2008-2009*		450	450
2009-2010*		143	143
2010-2011*		305	305
2011-2012*		741	810
2012-2013		115	-
		<b>1,826</b>	<b>1,780</b>
<b>Less: Deposits made under protest</b>		<b>(304)</b>	<b>(104)</b>
<b>Net Amount</b>		<b>1,522</b>	<b>1,676</b>
* includes the following deposits			
AY 2011-2012 - ₹200 Lakhs			
AY 2010-2011 - ₹10 Lakhs			
AY 2009-2010 - ₹14 Lakhs			
AY 2008-2009 - ₹30 Lakhs			
AY 2005-2006 - ₹50 Lakhs			
Service Tax **		2	2
Customs Duty		6	6
** Represent ₹ 1.52 lakhs paid as pre deposit			
Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.			

**24.2** The Company had accrued for an amount of ₹59 Lakhs in the earlier years towards arrears of lease rent for the land taken under lease, as demanded by the Collector of Chennai District. The Company has filed a writ petition and obtained a stay order from the Honourable High Court of Judicature at Madras.

**25** Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors there are no dues as at 31 March, 2015 and 31 March, 2014.

## 26 EMPLOYEE BENEFIT PLANS

### (i) Defined Contribution Plan

The Company makes Provident Fund, Pension Fund and Superannuation Fund contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹63.19 lakhs (previous year ₹54.24 lakhs) towards Provident Fund and Pension Fund contributions and ₹18.89 lakhs (previous year ₹18.82 lakhs) towards Superannuation Fund in the Statement of Profit and Loss. The contributions payable to these plans by the Company is at rates specified in the rules of the scheme.

## (ii) Gratuity

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

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>Particulars</b>		
<b>Components of employer expense</b>		
Current service cost	18	15
Interest cost	22	17
Expected return on plan assets	(20)	(19)
Actuarial losses/(gains)	29	4
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>49</b>	<b>17</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(2)	(16)
Actual contributions	16	13
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	306	238
Fair value of plan assets	255	220
Funded status [Surplus / (Deficit)]	(51)	(18)
Unrecognised past service costs	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(51)</b>	<b>(18)</b>
<b>Change in Defined Benefit Obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	238	219
Current service cost	18	15
Interest cost	22	17
Actuarial (gains) / losses	30	3
Past service cost	-	-
Benefits paid	(2)	(16)
<b>Present value of DBO at the end of the year</b>	<b>306</b>	<b>238</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	220	205
Expected return on plan assets	20	19
Actual company contributions	16	13
Actuarial gain / (loss)	1	(1)
Benefits paid	(2)	(16)
<b>Plan assets at the end of the year</b>	<b>255</b>	<b>220</b>
<b>Actuarial assumptions</b>		
Discount rate	7.80%	9.10%
Expected return on plan assets	8.75%	8.75%
Salary escalation	8.00%	8.00%
Attrition	4.00%	5.00%
Mortality rate	IAL(2006-08)	IAL(2006-08)
<b>Experience Adjustments</b>		
Present Value of Obligation	306	238
Plan Assets	255	220
Surplus / (Deficit)	(51)	(18)
Experience Adjustments on Plan liabilities- (loss)/gain	(14)	(3)
Experience Adjustments on Plan assets- (loss)/gain	(1)	(1)
<b>Enterprises' best estimate of contribution during the next year</b>	<b>51</b>	<b>18</b>
<b>Actual Return on Plan Assets</b>		
Expected return on plan assets	20	19
Actuarial gain / (loss) on plan assets	1	(1)
Actual return on plan assets	21	18

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.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.

## (iii) Compensated absences

Principal actuarial assumptions as at the Balance Sheet date

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>Actuarial assumptions for long-term compensated absences</b>		
Discount rate	7.80%	9.10%
Salary escalation	8.00%	8.00%
Attrition	4.00%	5.00%

**Notes**

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

**27 SEGMENT REPORTING**

The Company holds strategic investments in subsidiaries, joint ventures and associates (collectively called "the Group") that are primarily engaged in single segment viz., manufacture and marketing of components for Transportation industry and also provides consultancy and other services to the Group. Further the Company does not have any operations outside India. As such there are no separate reportable segments as per AS 17 "Segment Reporting".

**28 RELATED PARTY TRANSACTIONS**

Details of related parties:

Description of relationship	Names of related parties 2014-15	Names of related parties 2013-14
<b>Subsidiaries</b>	Rane (Madras) Limited Rane Engine Valve Limited (Refer Note 11.1) Rane Brake Lining Limited Rane Holdings America Inc.	Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane Holdings America Inc.
<b>Joint Ventures</b>	Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited JMA Rane Marketing Limited	Rane TRW Steering Systems Limited Rane NSK Steering Systems Limited JMA Rane Marketing Limited
<b>Associates</b>	SasMos HET Technologies Limited	Kar Mobiles Limited SasMos HET Technologies Limited
<b>Key Management Personnel (KMP)</b>	Mr. L Lakshman Mr. L Ganesh	Mr. L Lakshman Mr. L Ganesh
<b>Relatives of KMP</b>	Mrs. Pushpa Lakshman Mr. Harish Lakshman Mr. Vinay Lakshman Mrs. Meenakshi Ganesh Mr. Aditya Ganesh Mrs. Aparna Ganesh Mrs. Shanti Narayan Mrs. Hema C Kumar Mrs. Vanaja Aghoram	Mrs. Pushpa Lakshman Mr. Harish Lakshman Mr. Vinay Lakshman Mrs. Meenakshi Ganesh Mr. Aditya Ganesh Mrs. Aparna Ganesh Mrs. Shanti Narayan Mrs. Hema C Kumar Mrs. Vanaja Aghoram
<b>Enterprise in which KMP / Relatives of KMP can exercise significant influence</b>	Rane Foundation	Rane Foundation

Note: Related parties has been identified by the Management.



## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31 MARCH, 2015 AND BALANCES OUTSTANDING AS AT 31 MARCH, 2015

	Fee for Services rendered	Trade Mark / Group Association Fee	Dividend Received	Interest Income	Donation Paid	Loans Given	Loans Repaid	Guarantee Given	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Contractually Reimbursable Expenses	Others (Reimbursement of Expenses)
<b>Subsidiaries</b>													
<b>Transactions during the year</b>													
Rane (Madras) Limited	705 (607)	372 (317)	381 (273)	19 (81)	-	- (350)	450 (350)	-	-	-	-	-	5 (10)
Rane Engine Valve Limited	461 (319)	162 (130)	22	-	-	-	-	-	-	-	-	2 (8)	-
Rane Brake Lining Limited	367 (377)	207 (191)	268 (68)	-	-	-	-	-	-	-	-	-5 (17)	-
<b>Balances receivable at the end of the year</b>													
Rane (Madras) Limited	4	129	-	-	-	-	-	-	-	-	-	-	7
Rane Engine Valve Limited	65 (19)	47 (42)	-	-	-	(450)	-	-	-	-	-	-	-
<b>Balance payable at the end of the year</b>													
Rane Brake Lining Limited	18 (5)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Joint Ventures</b>													
<b>Transactions during the year</b>													
Rane TRW Steering Systems Private Limited	589 (669)	601 (562)	655 (655)	-	-	-	-	-	-	-	-	-	2 (5)
Rane NSK Steering Systems Private Limited	433 (400)	623 (527)	-	-	-	-	-	-	-	-	-	-	(5)
JMA Rane Marketing Limited	-	-	(22)	-	-	-	-	-	-	-	-	-	-
<b>Balances receivable at the end of the year</b>													
Rane TRW Steering Systems Private Limited	-	113	-	-	-	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	(2)	(42)	-	-	-	-	-	-	-	-	-	-	-
<b>Balances payable at the end of the year</b>													
Rane NSK Steering Systems Private Limited	(2)	-	-	-	-	-	-	-	-	-	-	-	(1)
<b>Associates</b>													
<b>Transactions during the year</b>													
Kar Mobiles Limited*	(149) 9	(29) 7	(22)	-	-	-	-	-	-	-	-	-	-
SasMos HET Technologies Limited	(7)	-	-	41 (23)	-	249 (470)	249 (270)	-	-	-	-	-	(4)
<b>Balances receivable at the end of the year</b>													
SasMos HET Technologies Limited	1	9	-	5 (6)	-	200 (200)	-	-	-	-	-	-	-

₹ Lakhs

	Fee for Trade Mark / Services Group Asso- ciation Fee	Dividend Received	Interest Income	Donation Paid	Loans Given	Loans Repaid	Guarantee Given	Salary and Other Perquisites	Commission	Sitting Fee for Board and Commit- tee Meetings	Contractually Reimbursable Expenses	Others (Reimbursement of Expenses)
<b>Balance payable at the end of the year</b>												
Kar Mobiles Limited	-	-	-	-	-	-	-	-	-	-	-	-
	(3)	-	-	-	-	-	-	-	-	-	-	-
<b>Key Management Personnel (KMP)</b>												
<b>Transactions during the year</b>												
Mr. L Lakshman	-	-	-	-	-	-	-	67	84	-	-	-
	-	-	-	-	-	-	-	(59)	(78)	-	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	103	-	-	-	-
	-	-	-	-	-	-	-	(96)	-	-	-	-
<b>Balance payable at the end of the year</b>												
Mr. L Lakshman	-	-	-	-	-	-	-	-	84	-	-	-
	-	-	-	-	-	-	-	-	(78)	-	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Relatives of Key Management Per- sonnel (KMP)</b>												
Mr. Harish Lakshman	-	-	-	-	-	-	-	-	-	2	-	-
	-	-	-	-	-	-	-	-	-	(1)	-	-
<b>Enterprise in which KMP / Relatives of KMP can exercise significant influence</b>												
<b>Transactions during the year</b>												
Rane Foundation	-	-	-	53	-	50	-	-	-	-	-	-
	-	-	-	(75)	-	-	-	-	-	-	-	-
<b>Balances receivable at the end of the year</b>												
Rane Foundation	-	-	-	-	25	-	-	-	-	-	-	-
	-	-	-	-	(75)	-	-	-	-	-	-	-

**Note:**

\* Refer Note 11.1

1. Figures in bracket relates to the previous year

## 29 DISCLOSURE UNDER CLAUSE 32 OF THE LISTING AGREEMENT (TO THE EXTENT APPLICABLE)

₹ Lakhs				
Particulars	Amount outstanding as at 31 March, 2015	Amount outstanding as at 31 March, 2014	Maximum outstanding during 2014-2015	Maximum outstanding during 2013-2014
<b>Subsidiaries</b>				
<b>Rane (Madras) Limited</b>				
Loan	-	450	450	800
Interest	-	-	13	63
<b>Associate</b>				
<b>SasMos HET Technologies Limited</b>				
Loan	200	200	419	230
Interest	5	6	12	12
<b>Rane Foundation</b>				
Loan	25	75	75	75

## 30 INFORMATION ON JOINT VENTURE ENTITIES

The particulars of the Company's Joint Venture Entities as at 31 March, 2015 including percentage holding and its proportionate share of assets, liabilities, income and expenditure of the Joint Ventures are given below:-

₹ Lakhs								
Sl. No.	Name of the Joint Venture	As at 31 March, 2015					2014-2015	
		% of Holding	Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenses
1	Rane TRW Steering Systems Private Limited	50%	18,493	18,493	2,105	1,009	31,946	29,897
		50%	(18,534)	(18,534)	(1,919)	(835)	(30,070)	(28,844)
2	Rane NSK Steering Systems Private Limited	49%	15,730	15,730	-	138	30,765	28,586
		49%	(12,849)	(12,849)	(47)	(150)	(25,745)	(24,618)
3	JMA Rane Marketing Limited	49%	1,340	1,340	-	-	2,796	2,685
		49%	(1,254)	(1,254)	(3)	-	(2,711)	(2,574)

### Notes:

- Figures in bracket relates to the previous year.
- All the above Joint Venture Entities located in India.

## 31 OPERATING LEASES

₹ Lakhs		
Particulars	As at 31 March, 2015	As at 31 March, 2014
<b>Details of leasing arrangements</b>		
The Company has operating lease agreements for office space and residential accommodation with option to renew with escalation.		
Lease Rental debited to the Statement of Profit and Loss	22	24
Future minimum lease payments		
- not later than one year	20	19
- later than one year and not later than five years	32	28
- later than five years	-	-
	74	71
Office Equipments and Cars are taken on lease for a period ranging from one year to five years and are renewable at the option of the Company.		

₹ Lakhs

Particulars	As at	As at
	31 March, 2015	31 March, 2014
Lease Rental debited to the Statement of Profit and Loss	72	93
Future minimum lease payments		
- not later than one year	76	46
- later than one year and not later than five years	159	33
- later than five years	-	-
	<b>307</b>	<b>172</b>

## 32 EARNINGS PER SHARE

Particulars	Year ended	Year ended
	31 March, 2015	31 March, 2014
Profit After Tax (₹ in Lakhs)	2,592	2,173
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹ 10/- each - Basic & Diluted	18.16	15.22

## 33 USEFUL LIFE OF FIXED ASSETS

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April, 2014, the Company has changed its estimated useful life of certain categories of assets to align the useful life with those prescribed in Schedule II. The details of previously applied and currently adopted depreciation method, rates / useful life are as follows:

Asset	Basis	Previous depreciation	Useful life as per	
		rate / useful life	Schedule II	Useful Life Adopted
Building	Schedule - II	1.63% / 61 years	60 years	60 years
Plant & Machinery	Schedule - II	4.75% / 21 years	15 years	15 years
Electrical Equipment	Schedule - II	4.75% / 21 years	10 years	10 years
Furniture	Technical Assessment	20.00% / 5 years	10 years	5 years
Office Equipment	Technical Assessment	33.33% / 3 years	5 Years	3 Years
Vehicles	Technical Assessment	20.00% / 5 years	6 Years	5 Years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1 April, 2014, and has adjusted an amount of ₹1 lakhs (net of deferred tax of ₹1 lakh) against the opening Surplus balance in the Statement of Profit and Loss.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹19 Lakhs consequent to the change in the useful life of the assets.

- 34 The Company did not have any unhedged Foreign currency exposure as at 31 March, 2015 and 31 March, 2014 and the company did not have any derivatives.

## 35 PREVIOUS YEAR'S FIGURE

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

Signature to Note 1 to 35

For and on behalf of the Board

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Independent Auditors' Report

## TO THE MEMBERS OF RANE HOLDINGS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **RANE HOLDINGS LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities and associate comprising of the Consolidated Balance Sheet as at 31 March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entities and associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities and associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the 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 its jointly controlled entities and associate as at 31 March 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of three subsidiaries and one jointly controlled entity whose financial statements reflect total assets of ₹ 75,164 lakhs as at 31 March 2015, total revenues of ₹ 110,513 lakhs and net cash flows amounting to ₹ 644 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 42 lakhs for the year ended 31 March 2015, as considered in the Consolidated Financial Statements, in

respect of one associate, 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, jointly controlled entities and associate and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associate, is based solely on the reports of the other auditors.

The financial statements of a jointly controlled entity, which reflects total assets of ₹ 1,340 lakhs as at 31 March 2015, total revenue of ₹ 2,796 lakhs and net cash flow of ₹ 15 lakhs for the year ended on that date, as considered in the Consolidated Financial Statements, are unaudited and we have relied upon the financial statements as certified by the management of that jointly controlled entity. Any adjustments to these unaudited financial statements of the jointly controlled entity could have consequential effects on the Consolidated Financial Statements, to the extent it relates to the Consolidated Financial Statement. However, the size of this jointly controlled entity in the context of the Group is not material.

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 unaudited financial statements of one jointly controlled entity.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company, Subsidiary Companies incorporated in India for which the Order is applicable, jointly controlled companies incorporated in India for which the Order is applicable and associate company incorporated in India for which the Order is applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report, 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 and the Consolidated Cash Flow Statement 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, jointly controlled companies and associate incorporated in India, none of the Directors of the Group companies and jointly controlled companies incorporated in India is disqualified as on 31 March 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) 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 on consideration of the reports of the other auditors of the subsidiaries, jointly controlled entities and associate incorporated in India:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group, its jointly controlled entities and associate - Refer Note 32 to the Consolidated Financial Statements.
  - ii. The Group, its jointly controlled entities and associate did not have any material foreseeable losses on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, jointly controlled companies and associate incorporated in India.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**GEETHA SURYANARAYANAN**

Partner

Chennai, 26 May 2015

Membership No. 29519

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

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

Our reporting on the Order includes three subsidiary companies, two jointly controlled entities and one associate company incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the Consolidated Financial Statements.

In respect of one jointly controlled company incorporated in India, which has been included in the Consolidated Financial Statements, based on the unaudited financial statements of the entity, the possible effect of reporting under the Order have not been considered in our report.

- (i) In respect of fixed assets of the Holding Company, subsidiary companies, jointly controlled companies and associate company incorporated in India:
  - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - b) Some of the fixed assets were physically verified during the year by the Management of the respective entities in accordance with a programme of verification which, in our opinion and in the opinion of the other auditors, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of inventories of the subsidiary companies, jointly controlled companies and associate company incorporated in India:
  - a) As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals.
  - b) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the entities in the Group and the nature of its businesses.
  - c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the respective entities has maintained proper records of its

inventories and no material discrepancies were noticed on physical verification.

- (iii) According to the information and explanations given to the other auditors, the Holding Company has granted loans, to the extent included in the Consolidated Financial Statements, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans,
  - a) The receipts of principal amounts and interest have been regular/as per stipulations.
  - b) There is no overdue amount in excess of ₹ 1 lakh remaining outstanding as at the year end.
- (iv) In our opinion and the opinion of the other auditors according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company, subsidiary companies, jointly controlled companies and associate company incorporated in India commensurate with the size of the respective entities and the nature of their businesses with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our and the other auditors audit, we have not observed any major weakness in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. In respect of deposits amounting to ₹ 901 Lakhs accepted in earlier years and which have not fallen due for payment and remain outstanding as at 31 March 2015 as per the terms of acceptance of these deposits, taking into account the Company's application to the Company Law Board, Chennai (CLB), seeking permission to repay the fixed deposits on the respective maturity dates in accordance with the terms of acceptance of these deposits, which is pending for their approval, as given in Note No. 5.5, the Company has complied with the provisions of section 73 and section 74 of the Companies Act 2013.
- (vi) According to the information and explanations given to us and the other auditors, in our opinion and the opinion of the other auditors, the Holding Company, subsidiary companies, jointly controlled companies and associate company incorporated in India, have, *prima facie*, made and maintained the prescribed cost records pursuant to



the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013. Neither we nor the other auditors have, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

(vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company, subsidiary companies, jointly controlled companies and associate incorporated in India:

(a) The respective entities have generally been regular

in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Duty of

Customs, Duty of Excise and Service Tax which have not been deposited as at 31 March 2015 on account of disputes by the aforesaid entities are given below.

Nature of Dues	Amount Involved (₹ in Lakhs)	Forum where Dispute is Pending
Income Tax	7	High Court
	2	
	23	Supreme Court
	31	
	39	Assessing Officer
	25	
	766	Income Tax Appellate Tribunal
	222	
	78	
	110	
	182	
	128	
	6	
	35	
	342	
	652	
	8	Commissioner of Income Tax (Appeals)
	344	
	165	
	26	
	43	
	239	
	412	
	42	

Nature of Dues	Amount Involved (₹ in Lakhs)	Forum where Dispute is Pending
Sales Tax	2	Sales Tax Appellate Tribunal
	3	
	7	Assistant Commissioner
	22	
	110	Joint Commissioner of Commercial Taxes
	16	The Appellate Deputy Commissioner of Commercial Taxes
	34	
	19	Joint Commissioner of Sales Tax (Appeal)
	27	Appellate Assistant Commissioner (CT)
Service Tax	2	Customs Excise and Service Tax Appellate Tribunal.
	11	
	13	Commissioner (Appeals)
	1	
	3	High Court
	2	
	45	Commissioner of Central Excise (Appeals)
	3	
	10	Addnl. Commissioner Central Excise & Service Tax (Appeals)
	44	Customs, Excise and Service Tax Appellate Tribunal
	2	
Wealth Tax	192	
	91	
	1	Commissioner of Wealth Tax (Appeals)
Excise Duty	13	Customs, Excise and Service Tax Appellate Tribunal
	1	
	3	
	67	Commissioner of Central Excise (Appeals)
	5	
	76	
Customs Duty	6	Customs, Excise and Service Tax Appellate Tribunal

- (d) The aforesaid entities have been regular in transferring amounts to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.
- (viii) The Group, its jointly controlled companies and associate company incorporated in India do not have consolidated accumulated losses at the end of the financial year, and the Group, its jointly controlled companies and associate company incorporated in India have not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, jointly controlled companies and associate company incorporated in India have not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) According to the information and explanations given to us and the other auditors, the Holding Company, subsidiary companies, jointly controlled companies incorporated in India have not given guarantees for loans taken by others from banks and financial institutions.
- (xi) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the term loans have been applied during the year by the Holding Company, subsidiary companies, the jointly controlled companies and associate company incorporated in India for the purposes for which they were obtained, other than temporary deployment pending application.
- (xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company, subsidiary companies, jointly controlled companies and associate company incorporated in India and no material fraud on the Holding Company, subsidiary companies, jointly controlled companies and associate company incorporated in India have been noticed or reported during the year

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008072S)

**GEETHA SURYANARAYANAN**

Partner

Chennai, 26 May 2015

Membership No. 29519

# Consolidated Balance Sheet

as at 31 March, 2015

₹ Lakhs

Particulars	Note No.	As at 31 March, 2015	As at 31 March, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	1,428	1,428
(b) Reserves and Surplus	4	52,980	46,405
<b>Minority Interest</b>		19,304	15,879
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	14,341	17,088
(b) Deferred tax liabilities (Net)	6	1,929	1,636
(c) Other Long-term liabilities	7	121	106
(d) Long-term provisions	8	299	192
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	9	22,799	17,263
(b) Trade payables	10	29,895	26,548
(c) Other current liabilities	11	18,233	15,181
(d) Short-term provisions	12	3,788	3,296
<b>Total</b>		<b>1,65,117</b>	<b>1,45,022</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	72,056	66,785
(ii) Intangible assets	13	380	309
(iii) Capital work-in-progress	13	5,509	2,962
(b) Goodwill on Consolidation		8,495	7,378
(c) Non-current investments	14	1,833	1,916
(d) Deferred tax assets (Net)	15	174	1,116
(e) Long term loans and advances	16	6,975	5,614
(f) Other non-current assets	17	48	33
<b>(2) Current Assets</b>			
(a) Current investments	18	1,355	731
(b) Inventories	19	23,636	19,835
(c) Trade receivables	20	35,687	30,381
(d) Cash and bank balances	21	1,331	2,046
(e) Short-term loans and advances	22	6,628	5,364
(f) Other current assets	23	1,010	552
<b>Total</b>		<b>1,65,117</b>	<b>1,45,022</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2015

₹ Lakhs

Particulars	Note No.	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>I. Revenue from operations (Gross)</b>		2,36,820	2,06,574
Less: Excise Duty		15,732	13,821
<b>Revenue from operations (Net)</b>	24	<b>2,21,088</b>	<b>1,92,753</b>
<b>II. Other Income</b>	25	2,242	1,852
<b>III. Total Revenue (I + II)</b>		<b>2,23,330</b>	<b>1,94,605</b>
<b>IV. Expenses:</b>			
Cost of materials consumed	26	1,22,855	1,07,108
Purchase of Stock-in-Trade (Traded goods)	27	1,950	1,717
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(1,337)	(445)
Employee benefits expense	29	30,747	25,464
Finance costs	30	4,612	4,269
Depreciation and amortisation expense	13	10,568	8,414
Other expenses	31	44,775	39,113
<b>Total Expenses</b>		<b>2,14,170</b>	<b>1,85,640</b>
<b>V. Profit before exceptional items and tax (III - IV)</b>		9,160	8,965
<b>VI. Exceptional Items (Refer Note 36)</b>		4,174	(5,205)
<b>VII. Profit before tax (V - VI)</b>		<b>13,334</b>	<b>3,760</b>
<b>VIII. Tax expense:</b>			
(1) Current tax expense		1,711	1,399
(2) Less: MAT Credit		757	823
(3) Additional provision for tax relating to prior years		103	-
(4) Share of Joint ventures		1,452	733
Net current tax expense		2,509	1,309
(5) Deferred tax		1,309	(2,028)
(6) Share of Joint ventures		(106)	(17)
<b>Net tax expense</b>		3,712	(736)
<b>IX. Profit after tax before share of Profit/(Loss) of associates and minority interest (VII - VIII)</b>		<b>9,622</b>	<b>4,496</b>
<b>X. Share of Profit /(Loss) of associates</b>		42	174
<b>XI. Less: Minority Interest</b>		2,570	326
<b>XII. Profit for the year (IX + X - XI)</b>		<b>7,094</b>	<b>4,344</b>
<b>XIII. Earning per equity share (of ₹ 10 each):</b>	43		
(1) Basic (in ₹)		49.69	30.42
(2) Diluted (in ₹)		49.69	30.42

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Consolidated Cashflow Statement

for the year ended 31 March, 2015

₹ Lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>A. Cash flow from operating activities</b>		
Net Profit before extraordinary items, tax, share of profit/(loss) of associates and minority interest	13,334	3,760
Adjustments for:		
Depreciation and amortisation	10,568	8,414
Profit on sale of assets	(53)	(33)
Loss on sale of assets / Assets written off	180	21
Finance costs	4,612	4,269
Interest income	(206)	(171)
Dividend income	(66)	(48)
Provision for Doubtful Debts / Advances	110	56
Liability no longer required written back	(246)	(191)
Unrealised exchange loss (Net)	86	173
Bad debts / Advances written off	3	44
Provision for warranty	(31)	(54)
Deferment of Government Grants	-	(2)
Exceptional Items	(4,648)	235
	10,309	12,713
<b>Operating profit before working capital changes</b>	<b>23,643</b>	<b>16,473</b>
<b>Changes in working capital</b>		
Adjustments for (Increase) / Decrease in operating assets and liabilities:		
Increase/(Decrease) in long-term provisions	31	(1,066)
Increase/(Decrease) in short-term borrowings	3,659	802
Increase/(Decrease) in trade payables	2,079	1,389
Increase/(Decrease) in other current liabilities	715	749
Increase/(Decrease) in other long-term liabilities	16	69
Increase/(Decrease) in short-term provisions	(216)	988
(Increase)/Decrease in inventories	(2,300)	232
(Increase)/Decrease in trade receivables	(2,868)	(3,244)
(Increase)/Decrease in short-term loans and advances	(1,183)	(84)
(Increase)/Decrease in long-term loans and advances	77	(1,456)
(Increase)/Decrease in other assets (current & non-current)	(184)	(96)
(Increase)/Decrease in cash balance not considered as cash and cash equivalents	(132)	343
	(306)	(1,374)
Cash generated from operations	23,337	15,099
Net income tax (paid) / refunds	(3,551)	(2,300)
<b>Net cash flow from operating activities (A)</b>	<b>19,786</b>	<b>12,799</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(15,472)	(10,930)
Proceeds from sale of fixed assets	4,631	67
Purchase of long-term investments	(1,410)	(459)
Dividend income		
- Associates	-	22
- Others	66	26
Interest income	209	222
<b>Net cash flow used in investing activities (B)</b>	<b>(11,976)</b>	<b>(11,052)</b>

# Consolidated Cashflow Statement

for the year ended 31 March, 2015 (Continued)

₹ Lakhs

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>C. Cash flow from financing activities</b>		
Long term borrowings taken / (repaid)	(1,741)	3,812
Dividends paid (including taxes)	(1,712)	(1,131)
Interest paid	(4,569)	(4,382)
<b>Net cash flow from financing activities (C)</b>	<b>(8,022)</b>	<b>(1,701)</b>
<b>Net Increase / (Decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(212)</b>	<b>46</b>
Cash and cash equivalents at the beginning of the year	2,046	3,074
Add: Current Investments	731	-
Less: Unpaid Dividend Accounts	76	74
Less: Bank deposit with maturity more than 3 months but less than 12 months	1	394
Less: Capital Gain scheme account	1	1
Less: Others	76	28
Add: Cash and cash equivalents at the beginning of the year pursuant to merger of KML	3	-
<b>Adjusted Cash and cash equivalents at the beginning of the year</b>	<b>2,626</b>	<b>2,577</b>
Cash and cash equivalents at the end of the year	1,331	2,046
Add: Current Investments	1,355	731
Less: Unpaid Dividend and Unpaid Interest Warrants Accounts	88	76
Less: Bank deposit with maturity more than 3 months but less than 12 months	149	1
Less: Capital Gain scheme account	-	1
Less: Others	35	76
<b>Adjusted Cash and cash equivalents at the end of the year</b>	<b>2,414</b>	<b>2,623</b>
<b>Net Increase / (Decrease)</b>	<b>(212)</b>	<b>46</b>

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

**GEETHA SURYANARAYANAN**  
Partner

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary

# Notes forming part of the Consolidated Financial Statements

## for the year ended 31 March, 2015

### 1 BRIEF ABOUT THE COMPANY

Rane Holdings Limited (RHL) is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacture and marketing of auto components. The Rane Group's investment profile includes subsidiaries, joint ventures and associates. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure.

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Principles and Particulars of Consolidation

##### 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"), joint ventures, and the Group's share of profit / (loss) in its associates.

The Financial statements of the Subsidiaries, Joint Ventures and Associates used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March, 2015.

The Financial statements of the Company, its Subsidiaries, Joint Ventures and Investments in Associate companies are consolidated in accordance with Accounting Standard 21(AS 21) "Consolidated Financial Statements", Accounting Standard 27 (AS 27) – "Financial Reporting of Interests in Joint Ventures" and Accounting Standard 23 (AS 23) – "Accounting for Investments in Associates in Consolidated Financial Statements", respectively.

The Financial statements of the Company and its Subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating material intra-group balances, intra-group transactions, unrealized profits/losses on intra-company transactions and consolidation adjustments.

Interests in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures. The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of Group's share in the entity.

Investment in associate companies are accounted for by using equity method whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition change in the Company's share of net assets of the associates.

The excess of cost to the Group of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / jointly controlled entities, at the dates on which the investments in the subsidiary companies / joint ventures were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary company / joint ventures and such amounts are not set off between different entities.

The carrying value of Goodwill is tested for impairment as at the end of each reporting period.

Minority interest in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made in the subsidiaries and further movements in their share in the equity, subsequent to the dates of investments. Minority Interest share in the Net Profit for the year of the consolidated subsidiaries is identified and adjusted against the Profit after Tax of the group. The losses in subsidiaries attributable to the minority shareholders are recognised to the extent of their interest in the equity of subsidiaries.



## Particulars of consolidation

The list of companies included in consolidation are as follows:

Companies	Equity shares held		% of voting power held	
	As at 31 March, 2015	As at 31 March, 2014	As at 31 March, 2015	As at 31 March, 2014
<b>Subsidiaries</b>				
Rane (Madras) Limited - (RML)	59,16,272	59,16,272	56%	56%
Rane Engine Valve Limited - (REVL) - refer note ( c ) below	34,31,054	27,59,686	51%	54%
Rane Brake Lining Limited - (RBL) - refer note ( b ) below	36,48,311	35,77,175	46%	45%
Rane Holdings America Inc.*	20,000	20,000	100%	100%
<b>Joint Ventures</b>				
Rane TRW Steering Systems Private Limited - (RTSS)	43,69,123	43,69,123	50%	50%
Rane NSK Steering Systems Private Limited - (RNSS)	87,71,000	87,71,000	49%	49%
JMA Rane Marketing Limited - refer note ( a ) below	3,60,003	3,60,003	49%	49%
<b>Associates</b>				
Kar Mobiles Limited (KML)	NA	8,86,369	NA	40%
SasMos HET Technologies Limited (SasMos)**	6,11,399	3,51,400	45%	26%

\* Company incorporated outside India

\*\* SasMos is the holding company of Fokker Elmo SasMos Interconnection Systems Limited having 51% of voting power.

- a) The Financial Statements of JMA Rane Marketing Limited have been consolidated based on management accounts.
- b) The shareholders of RBL had approved an amendment in the year 2009-10, to the articles of association of the company which authorizes, the Company to appoint majority of the Board of Directors of the company. As a result RBL has become a board controlled subsidiary of the Company and hence consolidated on a line-by-line basis.
- c) A Scheme of Amalgamation ("Scheme") approved by the shareholders of REVL and KML with effect from 1 April, 2014 was sanctioned by the Honourable High Court of Judicature at Madras on 26 February, 2015 which was filed with the Registrar of Companies on 1 April, 2015 (the effective date). Pursuant to the scheme, the Company is entitled to receive 6,21,368 equity shares of ₹10/- each of REVL in exchange for 8,87,669 equity shares of ₹10/- each held by the Company in KML as on the date of the Scheme. As at 31 March, 2015, REVL has not allotted the equity shares to the Company and the same has been allotted to the Company on 4 May, 2015. The details disclosed above includes the shares entitled to be received by the Company on account of the merger with effect from 1 April, 2014.

## 2.2 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements of the Company and its subsidiaries (together the 'Group'), joint ventures and associates have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year. Also refer Note 41.

## 2.3 Use of estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the Balance Sheet date and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial

statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

## 2.4 Inventories

Inventories are valued at lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost is determined on weighted average basis. Cost includes conversion and other costs incurred in bringing the inventories to the present location and condition. Inventories are written down for obsolete / slow moving / non-moving items wherever necessary. Cost of loose tools is amortised over a period of 3 years. Inventory lying in customs bonded warehouse is valued inclusive of customs duty payable on clearance.

## 2.5 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with Banks. Cash equivalents comprises of bank balances in current account and other short-term (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.

## 2.6 Cash flow statement

Cash flows are reported using indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effect of the 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 based on the available information.

## 2.7 Depreciation and amortisation

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 or in respect of certain categories of assets, in whose case, the life of the assets has been assessed based on technical advise, 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.

Tangible Assets	Useful life (years)
Vehicles	5
Furniture and Fittings	5
Office Equipment (other than computers)	3
Capital tooling	3
Tools and Jigs	5

Intangible Assets are amortised over their estimated useful life as follows:

Intangible Assets	Useful life (years)
Software License	3 to 6
Software	3
Technical Knowhow / License Fees for technical assistance	3 to 6
Design and Drawings	5

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

## 2.8 Revenue recognition

### 2.8.1 Sales

Revenue is recognised net of returns and trade discounts, when the significant risks and rewards of ownership of goods have been passed to the buyer. Sales include excise duty but exclude sales tax, value added tax and other trade discounts and rebates wherever applicable.

### 2.8.2 Other Income

Income from Job work/Services is recognised on rendering the services.

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

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 2.8.3 Dividend Income

Dividend income is recognised when the right to receive it is established.

## 2.9 Fixed Assets

### 2.9.1 Tangible Fixed Assets

Tangible Fixed Assets are stated at cost of acquisition or construction, net of cenvat credit, depreciation and impairment loss if any. Cost includes direct cost and financing cost related to borrowing attributable to acquisition that are capitalised until the assets are ready for use.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefit from the existing asset beyond its previously assessed standard of performance.

Expenses incurred in connection to the project prior to the commencement of the commercial production are treated as part of project cost and capitalised as part of fixed assets.

Losses arising from the retirement of, and gains and losses arising from disposal of fixed assets, which are carried at cost are recognised in the Consolidated Statement of Profit and Loss.

Fixed assets that are fully depreciated are retained at a value of ₹ 1/-.

### 2.9.2 Intangible assets

Intangible assets are stated at acquisition cost net of accumulated amortisation and accumulated impairment losses, if any.

Software/Technical Knowhow are capitalised where it is expected to provide future economic benefits.

### 2.9.3 Capital Work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advances paid towards the acquisition of fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long-term loans and advances.

## 2.10 Foreign currency transactions and translations

### 2.10.1 Initial recognition

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction.

### 2.10.2 Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency transactions are recorded at the exchange rates prevailing on the date of transaction.

At the year end all monetary assets and liabilities denominated in foreign currency are restated at year end exchange rates. Consolidated resultant exchange differences arising from settlement of foreign currency transactions and from year end restatement are recognised in the Consolidated Statement of Profit and Loss except those arising on reporting of long-term foreign currency monetary items relating to acquisition of depreciable fixed assets which are adjusted to the carrying amount of such assets and depreciated over the remaining useful life of such assets.

Premium or discount on forward exchange contracts (i.e. the difference between the forward exchange rate and the exchange rate at the date of transaction) is accounted for as income/expense over the life of the contract if such contracts relate to monetary items as at the balance sheet date. Profit or loss on cancellation of forward contracts are recognised as income/expense in the Consolidated Statement of Profit and Loss for the year in which they are cancelled.

### 2.10.3 Accounting of forward contracts and treatment of exchange difference

The Group enters into forward exchange contracts to hedge its risks associated with foreign currency fluctuations. The premium or discount, arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract are recognised in the Consolidated Statement of Profit & Loss in the year in which the exchange rates change.

## 2.11 Government Grants and Capital Subsidy

Government grants relating to depreciable tangible fixed assets are treated as deferred income and recognised in the Consolidated Statement of Profit and Loss over the remaining useful life of the related assets.

Lump sum Capital Subsidies, not relating to any specific fixed asset, received from State Government for setting up new projects are accounted as capital reserve.

## 2.12 Investments

### 2.12.1 Long-term Investments

Long-term investments, are carried individually at cost less provision for diminution, other than temporary, in the value of such investments.

### 2.12.2 Current Investments

Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

## 2.13 Employee benefits

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

### 2.13.1 Defined contribution plans

Contribution to provident fund and superannuation fund in the Group are considered as Defined Contribution Plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

#### Provident Fund

The Group contributes to a Government administered Provident fund on behalf of its employees, which are charged to the Consolidated Statement of Profit and Loss. The company has no obligations for future provident fund benefits other than its monthly contributions.

In regard to a subsidiary company, Rane Engine Valve Ltd. for certain category of employees the company administers the benefits through a recognised Provident Fund Trust. For other employees, contributions are made to the regional Provident Fund Commissioners as per law. The Government mandates the annual yield to be provided to the employees on their corpus. For the first category of employees (covered by the Trust), the company has an obligation to make good the shortfall, if

any, between the yield on the investments of the trust and the yield mandated by the Government.

### Superannuation Fund

This is a defined contribution plan, where a portion of the eligible employees' salary, as per the choice exercised by the respective employees, is contributed towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). There are no further obligations for future superannuation benefits other than the annual contributions which is recognised as expense as and when due.

#### 2.13.2 Defined benefit plans

The Group makes annual contribution to a Gratuity Fund administered and managed by Life Insurance Corporation of India. The Group accounts its liability for future gratuity benefits based on actuarial valuation, as at the Balance Sheet date, determined using the Projected Unit Credit method. Actuarial gains/losses are immediately recognised in the Consolidated Statement of Profit and Loss.

#### 2.13.3 Short-term employee benefits

Short-term employee benefits including accumulated compensated absences determined as per Group's policy/scheme are recognised as expense based on expected obligation on undiscounted basis.

#### 2.13.4 Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed as incurred. Termination benefits falling due for more than twelve months after the balance sheet date are accounted using appropriate discount rates.

#### 2.14 Borrowing Costs

Borrowing costs attributable to acquisition or construction or production of qualifying assets are capitalised as part of the cost of such assets. All other borrowing costs are recognised as revenue in nature.

#### 2.15 Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis as per the lease terms.

#### 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect

of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

#### 2.17 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the company will pay normal tax in the future years. Accordingly, it is recognised as an asset in the Consolidated Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. This asset is reviewed for the appropriateness of its carrying amount at each Balance Sheet date.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

#### 2.18 Research and development expenses

Revenue expenditure on Research and Development is charged off in the year in which it is incurred. Capital expenditure on Research and Development is included under Fixed Assets. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making asset ready for its intended use.

## 2.19 Impairment of Assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, except in case of revalued assets.

## 2.20 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the consolidated financial statements.

## 2.21 Provision for Warranty

The estimated liability for product warranties is recorded when products are sold. Product warranty provisions cover the estimated liability to repair or replace products still under warranty on the Balance Sheet date and is determined by applying historical experience levels of repairs and replacements developed by using the percentage (of aggregate warranty claims on aggregate eligible sales), Product warranty liability is generally extended for a period of one to two years from the date of sale.

## 2.22 Hedge Accounting

In case of certain Subsidiaries and Joint Ventures exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency, those companies limit the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The group enters into forward exchange and option contracts, to hedge its risks associated with foreign currency fluctuations.

Pursuant to ICAI Announcement "Accounting for

Derivatives" on the early adoption of Accounting Standard AS 30 "Financial Instruments : Recognition and Measurement", the group has opted to follow the recognition and measurement principles relating to derivatives as specified in the Standard. Accordingly, the changes in the fair values of forward contracts and options designated as cash flow hedges are recognised directly in 'Hedge Reserve Account' being part of the shareholders' funds and reclassified into the Consolidated Statement of Profit and Loss upon the occurrence of the hedged transactions. The changes in fair value relating to the ineffective portion of the cash flow hedges and forward contracts/options not designated as cash flow hedges are recognised in the Consolidated Statement of Profit and Loss as they arise.

## 2.23 Derivative Contracts

In case of certain Subsidiaries and Joint Ventures exposed to foreign currency fluctuations on foreign currency assets and forecasted cash flows denominated in foreign currency, those companies limit the effects of foreign exchange rate fluctuations using derivative financial instruments such as foreign exchange forward contract, option contract, currency and interest rate swaps to hedge its exposure in movements of foreign exchange rates and interest rates relating to underlying transaction.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

## 2.24 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

## 2.25 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

## 2.26 Operating Cycle

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

### 3 SHARE CAPITAL

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Authorised:</b>		
Equity Shares:		
1,50,00,000 Shares (1,50,00,000 Shares) of ₹10 each	1,500	1,500
Preference Shares:		
50,00,000 Shares (50,00,000 Shares) 13.5% Cumulative Redeemable Preference Shares of ₹10 each	500	500
<b>(b) Issued, Subscribed and Fully Paid Up :</b>		
Equity Shares:		
1,42,77,809 Shares (1,42,77,809 Shares) of ₹10 each	1,428	1,428

**3.1** The Company has Subsidiaries, Joint Ventures and Associates. There is no Ultimate Holding Company for the Company.

**3.2 Terms / Rights attached to Equity Shares:**

The Company has only one class of equity shares having a par value of ₹ 10/- per share. All these shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting, except in the case of interim dividend.

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.

**3.3 Details of shares held by each shareholder holding more than 5% shares:**

Class of Shares / Name of Shareholder / Equity shares with voting rights	As at 31 March, 2015		As at 31 March, 2014	
	No of Shares	% of Holding	No of Shares	% of Holding
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Ares Investments	-	-	10,00,000	7.00%

**3.4** There is no change in the number of shares at the beginning of the year and end of the year.



## 4 RESERVES AND SURPLUS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
a. Capital Subsidy	103	88
Add: Additions pursuant to merger (Refer Note 37)	10	-
Add: Additions during the year	-	15
<b>Total</b>	<b>113</b>	<b>103</b>
b. Export Incentive Reserve	19	19
c. Capital Profit Reserve	99	99
d. Capital Redemption Reserve (Refer Note 4.1)	1,028	1,028
Add: Additions pursuant to merger (Refer Note 37)	39	-
<b>Total</b>	<b>1,067</b>	<b>1,028</b>
e. Investment allowance reserve	36	36
f. Capital Reserve on Amalgamation	29	29
g. General Reserve on Merger (Refer Note 4.2)	819	819
h. Capital Reserve on Consolidation	2,069	2,069
i. Amalgamation Adjustment Account	(20)	-
Add: Additions/(Deletions) during the year (Net)	-	(20)
<b>Total</b>	<b>(20)</b>	<b>(20)</b>
j. Securities Premium	5,908	6,470
Add: Additions/(Deletions) during the year	-	(562)
<b>Total</b>	<b>5,908</b>	<b>5,908</b>
k. Hedge Reserve account	43	-
Add: Additions pursuant to merger (Refer Note 37)	10	-
Add: Additions/(Deletions) during the year	(15)	43
<b>Total</b>	<b>38</b>	<b>43</b>
l. Foreign Currency Translation Reserve	3	-
Add: Additions/(Deletions) during the year	2	3
<b>Total</b>	<b>5</b>	<b>3</b>
m. <b>General Reserve</b>		
Opening Balance	13,040	12,823
Add: Additions pursuant to merger (Refer Note 37)	1,411	-
Add: Transfer from Surplus in Statement of Profit and Loss	8,313	217
<b>Closing Balance</b>	<b>22,764</b>	<b>13,040</b>
n. <b>Surplus in the Statement of Profit and Loss</b>		
Opening Balance	23,230	20,189
<b>Add:</b>		
Profit for the year	7,094	4,344
<b>Less:</b>		
Final Dividend @ 75 % (Previous Year 65%)	1,071	928
Tax on dividend	218	158
Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (net of Deferred Tax ₹ 99 Lakhs)	193	-
Adjustments on account of merger (Refer Note 37)	495	-
Transferred to General Reserve	8,313	217
<b>Net surplus in the Statement of Profit and Loss</b>	<b>20,034</b>	<b>23,230</b>
<b>Total Reserves and Surplus</b>	<b>52,980</b>	<b>46,405</b>

**4.1** Capital Redemption Reserve as at 1 April, 2014 represents amount transferred from the Consolidated Statement of Profit and Loss in accordance with Section 80(1)(d) of the Companies Act, 1956 on redemption of preference shares relating to the Company in the previous years.

**4.2** General Reserve on merger represents ₹ 819 Lakhs arising out of the amalgamation of Rane Investments Limited, a wholly owned subsidiary as approved by the shareholders of the Company and sanctioned by the High Court of Judicature at Madras effect from the appointed date 1 April, 2009.

## 5 LONG-TERM BORROWINGS

₹ Lakhs

	As at 31 March, 2015	As at 31 March, 2014
<b>5.1 Secured (Refer Note 5.3)</b>		
Term Loans from Banks	8,863	8,029
External Commercial Borrowings from Banks	1,659	3,677
Loans from Related Parties (Refer Note 38)	141	273
Share in Joint Ventures	2,531	2,546
<b>Total Secured Long-Term Borrowings</b>	<b>13,194</b>	<b>14,525</b>
<b>5.2 Unsecured</b>		
Term Loans from Banks	-	34
Interest Free Sales Tax Loan (Refer note 5.4)	746	856
Fixed Deposits (Refer note 5.5)		
- Related Parties	157	201
- Others	219	1,355
Loans from Related Parties (Refer Note 38)	25	22
Loan from Others	-	95
<b>Total Unsecured Long-Term Borrowings</b>	<b>1,147</b>	<b>2,563</b>
<b>Total Long-Term Borrowings</b>	<b>14,341</b>	<b>17,088</b>

### 5.3 Security

Term loans are secured by first charge on *Pari-passu* basis on respective company's immovable properties both present and future and are also secured by hypothecation of respective company's movable properties, book debts and inventories as per applicable terms of the contract of each loan.

In respect of REVL, also by second charge on *Pari-passu* basis on company's Peenya Unit and Tumkur Unit current assets both present and future as per applicable terms of the contract of each loan.

In respect of RML,

1. ECB Loans from Standard Chartered Bank (SCB) and DBS Bank Limited (DBS) and a INR term loan from HDFC are secured on a *Pari-passu* basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.
2. The INR Term Loans from ING Vysya and Yes Bank are secured on a *Pari-passu* basis by a first charge created on the Company's specific immovable properties both present and future and are also secured by hypothecation of the Company's specific movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.
3. Loan from Related Party :- RML has availed INR Loan from RTSS amounting to ₹ 166 Lakhs (₹ 295 Lakhs) out of which ₹ 141 Lakhs (₹ 273 Lakhs) is secured on the repective earmarked machinery provided by RTSS.

In respect of the foreign currency loans obtained, RML, REVL, RBL and RNSS have hedged it by entering into derivative contracts whereby the principal and interest amount thereon have been swapped and firmed up into Indian Rupees at a fixed rate of interest. These arrangements have been recognised and the amount of borrowings has been stated in the books in Rupee values as per the said arrangements.

- 5.4** Interest free sales tax loan is repayable over a period of 14 years as per terms of sanction granted by Government of Telangana for REVL & RBL.

### 5.5 Fixed Deposits

Fixed Deposits accepted from public are repayable as per terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of deposits. The Interest rates payable on the above deposits varies from 9% p.a to 10% p.a as per the terms of individual deposits.

In respect of RML, REVL & RBL, Fixed Deposits which have not fallen due for repayment as at 31 March, 2015 as per the original terms of acceptance of such deposits, aggregating ₹ 1,522 Lakhs, the companies have in pursuance of MCA Circular dated 28 January, 2015 filed applications before the Company Law Board, Chennai (CLB), seeking permission to repay the deposits on the respective maturity dates in accordance with the terms of acceptance of these deposits, as stipulated under Section 74 of the Companies Act 2013. The approval of the CLB is still awaited.



## 6 DEFERRED TAX LIABILITIES (Net)

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	1,675	1,941
Others	1,675	1,367
Share in Joint Ventures	634	771
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>3,984</b>	<b>4,079</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for Employee Benefits	39	29
Provision for doubtful debts / advances	-	194
Voluntary Retirement Compensation Scheme	354	360
Unabsorbed Depreciation	356	607
Others	1,030	1,026
Share in Joint Ventures	276	227
<b>Tax effect of items constituting deferred tax assets (B)</b>	<b>2,055</b>	<b>2,443</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>1,929</b>	<b>1,636</b>

## 7 OTHER LONG-TERM LIABILITIES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Termination benefit under Voluntary Retirement Scheme	26	10
Others (Refer Note 7.1)	95	95
Share in Joint Ventures	-	1
<b>Total Other Long-Term Liabilities</b>	<b>121</b>	<b>106</b>

7.1 Others include, amount of ₹ 54 Lakhs (₹ 54 Lakhs) is payable on investment as per the agreement with TCW Renewable Energy (India) Private Limited, in respect of REVL

## 8 LONG-TERM PROVISIONS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Provision for Warranty (Refer Note 34)	299	181
Share in Joint Ventures	-	11
<b>Total Long-Term Provisions</b>	<b>299</b>	<b>192</b>

## 9 SHORT-TERM BORROWINGS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Secured</b> (Refer note 9.1)		
Cash credit	7,173	2,359
Working Capital Loans	268	415
Short Term loan	800	1,900
Commercial Paper	4,000	3,000
Others	6,118	7,272
Share in Joint Ventures	3,432	2,307
<b>Unsecured</b>		
Commercial Paper	1,000	-
Sales tax deferment from Government of Telangana	8	10
<b>Total Short-Term Borrowings</b>	<b>22,799</b>	<b>17,263</b>

### 9.1 Security

Short-term Borrowings in the nature of Cash credits, Packing credit, Commercial paper, Buyers credit & Working capital loans are secured by way of hypothecation of respective company's inventories, book debts and other current assets.

In respect of RML, also by second charge on company's movable and immovable properties both present and future as per applicable terms of the contract of each loan and in respect of REVL, also by second charge on *Pari-passu* basis on company's Peenya Unit and Tumkur Unit current assets both present and future as per applicable terms of the contract of each loan.

## 10 TRADE PAYABLES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Acceptances	1,879	2,105
Other than Acceptances		
- Outstanding dues to Micro Enterprises & Small Enterprises	1,517	1,421
- Others	19,650	15,432
Share in Joint Ventures	6,849	7,590
<b>Total Trade Payables</b>	<b>29,895</b>	<b>26,548</b>

## 11 OTHER CURRENT LIABILITIES

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Current Maturities of Long-Term Borrowings		
- Term loans from Banks	5,647	2,920
- External Commercial Borrowings from Banks	2,693	4,527
- Loans from Related Parties (Refer Note 38)	130	162
- Fixed Deposits		
- Related Parties	53	24
- Others	1,093	615
- Interest Free Sales Tax Loan	110	88
- Others	105	180
Interest accrued but not due on borrowings	391	418
Unclaimed Dividends	100	85
Unclaimed Matured Fixed Deposits	4	4
Unclaimed interest on Fixed Deposit	1	2
Related Party (Refer Note 38)	17	20
Statutory remittances	1,698	1,352
Payables for purchase of Fixed Assets	608	357
Gratuity (Refer Note 39)	1,253	516
Others	621	981
Share in Joint Ventures	3,709	2,930
<b>Total Other Current Liabilities</b>	<b>18,233</b>	<b>15,181</b>

## 12 SHORT-TERM PROVISIONS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Provision for employee benefits</b>		
Provision for Compensated absences	1,497	1,097
<b>(b) Others</b>		
Provision for wealth tax	40	40
Provision for warranty (Refer Note 34)	196	223
Provision for proposed dividend	1,071	928
Provision for tax on proposed dividend	218	158
Provision for expenses	-	17
Share in Joint Ventures	766	833
<b>Total Short-Term Provisions</b>	<b>3,788</b>	<b>3,296</b>

## 13 FIXED ASSETS

₹ Lakhs

	Gross Block				Accumulated Depreciation and Amortisation				Net Block					
	As at 1 April, 2014	Additions	Disposals	Adjustment for Merger	Effect of foreign currency exchange differences	As at 31 March, 2015	As at 1 April, 2014	For the year	Disposals	Transfer to General Reserve	Adjustment for Merger	As at 31 March, 2015	As at 31 March, 2014	
A. TANGIBLE ASSETS														
Land	6,807 (6,529)	737	-	42 (278)	-	7,586 (6,807)	-	-	-	-	-	7,586 (6,807)	6,807 (6,529)	
Land on lease	571 (571)	-	-	-	-	571 (571)	76 (62)	12 (14)	-	-	-	88 (76)	495 (509)	
Buildings	15,636 (14,754)	2,725 (1,033)	104	849 (151)	-	19,106 (15,636)	3,552 (3,247)	622 (455)	13	-	204 (150)	4,365 (3,552)	12,084 (11,507)	
Plant and Machinery	1,00,307 (92,649)	8,110 (10,713)	1,945 (1,109)	5,321 (1,946)	108	1,11,901 (1,00,307)	53,795 (49,464)	9,192 (7,362)	1,749 (1,061)	332	2,263 (1,970)	63,833 (53,795)	48,068 (43,185)	
Furniture and Fixtures	1,464 (1,357)	202 (160)	66 (31)	133 (22)	-	1,733 (1,464)	1,083 (998)	164 (132)	56 (24)	-	96 (23)	1,287 (1,083)	381 (359)	
Vehicles	269 (270)	48 (22)	8 (23)	-	-	309 (269)	176 (149)	34 (31)	8 (4)	-	-	202 (176)	93 (121)	
Office equipment	2,525 (2,255)	499 (266)	72 (16)	157 (12)	-	3,109 (2,525)	2,112 (1,896)	312 (230)	71 (2)	-	131 (12)	2,484 (2,112)	413 (359)	
Total Tangible Assets	1,27,579	12,321	2,195	6,502	108	1,44,315	60,794	10,336	1,897	332	2,694	72,259	66,785	
Previous year	(1,18,385)	(12,194)	(1,147)	(1,853)	-	(1,27,579)	(55,816)	(8,224)	(1,091)	-	(2,155)	(60,794)	(62,569)	
B. INTANGIBLE ASSETS														
Goodwill	162 (162)	-	-	-	-	162 (162)	162 (162)	-	-	-	-	162 (162)	-	
Software	113 (90)	40 (15)	-	-	-	153 (113)	79 (66)	31 (10)	-	-	-	110 (79)	34 (24)	
Design and Drawings	95 (95)	3	-	-	-	98 (95)	95 (95)	-	-	-	-	95 (95)	-	
Licenses	1,091 (1,030)	54 (66)	1	46 (5)	-	1,190 (1,091)	896 (759)	130 (137)	-	-	43	1,069 (896)	195 (271)	
Technical Knowhow	481 (489)	204	-	-	-	685 (481)	401 (366)	71 (43)	-	-	-	472 (401)	80 (123)	
Total Intangible Assets	1,942	301	1	46	-	2,288	1,633	232	-	-	43	1,908	309	
Previous year	(1,866)	(81)	-	(5)	-	(1,942)	(1,448)	(190)	-	-	(5)	(1,633)	(418)	
C. Capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	2,962	
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	(4,056)	
Total Tangible & Intangible Assets(A+B+C)	1,29,521	12,622	2,196	6,548	108	1,46,603	62,427	10,568	1,897	332	2,737	74,167	70,056	
Previous year	(1,20,251)	(12,275)	(1,147)	(1,858)	-	(1,29,521)	(57,264)	(8,414)	(1,091)	-	(2,160)	(70,056)	(67,043)	
Share in Joint Ventures (included above):														
Tangible Assets														
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	14,016	
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	(11,783)	
Previous year	-	-	-	-	-	-	-	-	-	-	-	-	193	
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	(300)	

## 14 NON-CURRENT INVESTMENTS (at cost)

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Trade</b>		
<b>Investment in Equity instruments (fully paid up)</b>		
<b>(i) Associate Companies</b>		
<b>Quoted:</b>		
Kar Mobiles Limited	-	1,144
<b>Unquoted:</b>		
SasMos HET Technologies Limited	1,741	680
<b>(ii) Others Entities</b>		
<b>Unquoted:</b>		
Wellington Corporate Foundation	-	-
(60 shares of ₹ 10/- each costing ₹ 1,000/-)		
TCW Renewable Energy India (Pvt) Ltd	92	92
<b>Total Non-Current Investments</b>	<b>1,833</b>	<b>1,916</b>
<b>Aggregate value of Investments:</b>		
Quoted at Cost	-	1,144
At Market Value	-	891
Unquoted at Cost	1,833	772

## 15 DEFERRED TAX ASSETS (Net)

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	1,384	1,197
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>1,384</b>	<b>1,197</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for Employee Benefits	381	109
Provision for doubtful debts / advances	39	25
Voluntary Retirement Compensation Scheme	889	1,165
Unabsorbed Depreciation	201	990
Others	48	24
<b>Tax effect of items constituting deferred tax assets (B)</b>	<b>1,558</b>	<b>2,313</b>
<b>Net deferred tax asset (B)-(A)</b>	<b>174</b>	<b>1,116</b>

- 15.1 In respect of REVL, the deferred tax arising on unabsorbed depreciation has been recognised to the extent of the availability of future taxable income by virtue of future reversal of deferred tax liability on fixed assets recognised at the Balance Sheet date in accordance with the Accounting Standard - 22.

## 16 LONG-TERM LOANS AND ADVANCES

₹ Lakhs

	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Capital Advances	1,029	676
Security Deposits	725	454
Rent Deposits	13	17
Advance Income Tax (Net of provision ₹ 19,078 Lakhs (Previous year ₹ 17,267 Lakhs))	1,830	1,701
Loans and advances to related parties (refer note 38)	75	500
Balances with Government authorities	237	196
Minimum Alternate Tax Credit Entitlement	1,743	986
Other Advances	426	268
Other Advances - Considered doubtful	10	10
Less: Provision for doubtful advances	10	10
Share in Joint Ventures	897	553
Share in Joint Ventures (Secured)	-	263
<b>Total Long-Term Loans and Advances</b>	<b>6,975</b>	<b>5,614</b>

## 17 OTHER NON-CURRENT ASSETS

₹ Lakhs

	As at 31 March, 2015	As at 31 March, 2014
Long-term deposits with banks with maturity period more than 12 months	34	20
Others	14	13
<b>Total Other Non-Current Assets</b>	<b>48</b>	<b>33</b>

## 18 CURRENT INVESTMENTS (at Cost)

₹ Lakhs

	As at 31 March, 2015	As at 31 March, 2014
Investment in Mutual Funds	1,255	731
Share in Joint Ventures	100	-
<b>Total Current Investments</b>	<b>1,355</b>	<b>731</b>
Considered as Cash and cash equivalents as defined in AS-3 Cash Flow Statement	<b>1,355</b>	<b>731</b>

**19 INVENTORIES (at Lower of Cost and Net Realisable Value)**

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Raw materials and components	4,429	3,653
Raw material goods-in-transit	433	140
Work-in-progress	2,253	2,131
Finished Goods	6,979	6,061
Finished goods-in-transit	876	324
Stock-in-Trade (acquired for trading)	212	165
Stores and Spares	2,091	1,790
Stores and Spares in Transit	11	-
Share in Joint Ventures	6,352	5,571
<b>Total Inventories</b>	<b>23,636</b>	<b>19,835</b>

**20 TRADE RECEIVABLES**

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good</b>		
Outstanding for a period exceeding six months from the due date of payment	-	-
Considered doubtful	231	175
Less: Provision for doubtful receivables	231	175
	-	-
Other Trade receivable	26,668	22,466
Considered doubtful	155	113
Less: Provision for doubtful receivables	155	113
	26,668	22,466
Share in Joint Ventures	9,019	7,915
<b>Total Trade Receivables</b>	<b>35,687</b>	<b>30,381</b>

## 21 CASH AND BANK BALANCES

₹ Lakhs

	As at 31 March, 2015	As at 31 March, 2014
<b>Cash and cash equivalents</b>		
Cash on hand	21	14
<b>Balances with Banks</b>		
- In Current Accounts	388	1,121
- In EEFC Accounts	19	5
- In Deposits	292	88
- Bank deposit with maturity more than 3 months but less than 12 months	149	1
<b>In earmarked accounts:</b>		
Unpaid Dividend accounts	87	73
Unpaid Interest warrant accounts	1	3
Capital Gain scheme account	-	1
Others	35	76
Share in Joint Ventures	339	664
<b>Total Cash and Cash Equivalents</b>	<b>1,331</b>	<b>2,046</b>
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Cash and Cheques / drafts on hand and balances with banks in current accounts	1,059	1,892

## 22 SHORT-TERM LOANS AND ADVANCES

₹ Lakhs

	As at 31 March, 2015	As at 31 March, 2014
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to employees	53	28
Loans and advances to Related parties	350	-
Balance with Government authorities		
- CENVAT credit receivable	20	-
- Value added tax receivable	37	16
- Service tax credit receivable	22	16
- Deposit with Government authorities	-	22
- Balance with Customs and Excise	2,081	1,315
- Export Entitlements	287	309
- Others	-	12
Prepaid expenses	489	434
Other Advances	1,210	821
Suppliers Advances	447	489
Suppliers Advances - Considered doubtful	84	66
Less: Provision for doubtful advances	84	66
Share in Joint Ventures	1,632	1,902
<b>Total Short-Term Loans and Advances</b>	<b>6,628</b>	<b>5,364</b>



## 23 OTHER CURRENT ASSETS

	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Insurance Claims Receivable	58	133
Interest accrued but not due from Associate (Refer Note 38)	5	6
Others	798	397
Share in Joint Ventures	149	16
<b>Total Other Current Assets</b>	<b>1,010</b>	<b>552</b>

## 24 REVENUE FROM OPERATIONS

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Sale of products	1,68,633	1,46,064
Less: Excise duty	15,732	13,821
Other Operating Revenue (net of excise duty) (Refer note 24.1)	3,169	2,427
Share in Joint Ventures (net of excise duty)	65,018	58,083
<b>Total Revenue from Operations</b>	<b>2,21,088</b>	<b>1,92,753</b>

## 24.1 OTHER OPERATING REVENUE

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Sale of Scrap (net of excise duty)	1,681	1,333
Sale of Raw Materials (net of excise duty)	458	241
Export incentive	690	750
Other Operating Revenue	340	103
<b>Total Other Operating Revenue</b>	<b>3,169</b>	<b>2,427</b>

## 25 OTHER INCOME

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Dividend from investments - Gross		
- Non-Current Investments	-	22
- Current Investments	63	21
Service Fees	524	668
Trade mark fees	626	581
Interest Income		
- Interest from Inter Corporate Loans	41	23
- Others	128	124
Profit on Sale of Assets	52	27
Provision no longer required written back	239	177
Exchange Gain	165	-
Other Income	130	107
Share in Joint Ventures	274	102
<b>Total Other Income</b>	<b>2,242</b>	<b>1,852</b>

## 26 COST OF MATERIALS CONSUMED

₹ Lakhs

	Year ended 31 March, 2015	Year ended 31 March, 2014
Opening Stock of Raw materials	3,793	3,815
Add: Additions pursuant to merger (Refer Note 37)	770	-
Add : Purchases	81,427	71,192
Less : Closing Stock	4,862	3,793
Share in Joint Ventures	41,727	35,894
<b>Total Raw Materials consumed</b>	<b>1,22,855</b>	<b>1,07,108</b>

## 27 PURCHASE OF STOCK-IN-TRADE

₹ Lakhs

	Year ended 31 March, 2015	Year ended 31 March, 2014
Purchase of Traded goods	942	729
Share in Joint Ventures	1,008	988
<b>Total Goods Purchased</b>	<b>1,950</b>	<b>1,717</b>

## 28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE

₹ Lakhs

	Year ended 31 March, 2015	Year ended 31 March, 2014
<b>Inventories at the beginning of the year (A)</b>		
Finished goods	6,385	5,938
Work-in-process	2,131	2,316
Stock-in-Trade	165	82
	<b>8,681</b>	<b>8,336</b>
<b>Pursuant to merger (B) (Refer Note 37)</b>		
Finished goods	346	-
Work-in-process	247	-
	<b>593</b>	<b>-</b>
<b>Inventories at the end of the year (C)</b>		
Finished goods	7,855	6,385
Work-in-process	2,253	2,131
Stock-in-Trade	212	165
	<b>10,320</b>	<b>8,681</b>
Share in Joint Ventures	(291)	(100)
<b>Total Changes in Inventories (A) + (B) + (C)</b>	<b>(1,337)</b>	<b>(445)</b>

## 29 EMPLOYEE BENEFIT EXPENSES

₹ Lakhs

	Year ended 31 March, 2015	Year ended 31 March, 2014
Salaries and wages	20,222	16,669
Staff welfare expenses	3,211	2,651
Contributions to Provident and other funds	2,149	1,370
Share in Joint Ventures	5,165	4,774
<b>Total Employee benefit expenses</b>	<b>30,747</b>	<b>25,464</b>

## 30 FINANCE COSTS

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Interest expense		
- Borrowings from Banks	3,332	3,006
- Fixed Deposits	121	215
- Borrowings from related party	13	95
- Others	59	26
Other borrowing costs	410	313
Net loss on foreign currency transactions and translation (to the extent considered as finance costs)	85	30
Share in Joint Ventures	592	584
<b>Total Finance Costs</b>	<b>4,612</b>	<b>4,269</b>

## 31 OTHER EXPENSES

	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Consumption of stores and spare parts	6,385	5,423
Power and Fuel	6,837	6,045
Rent	255	229
Repairs and Maintenance		
- Buildings	394	426
- Plant and Machinery	2,643	2,159
- Others	1,119	980
Insurance	478	455
Directors' Sitting Fees & Commission	152	128
Warranty	193	321
Royalty and Technical Fees	472	450
Travelling and Conveyance	1,808	1,435
Packing and Forwarding	3,603	3,308
Freight Outward	3,285	2,255
Net loss on foreign currency transactions and translation (other than considered as finance costs)	122	562
Professional Charges	1,817	1,180
Audit Fees (includes fees to subsidiaries' auditors)		
- statutory audit	60	56
- tax audit	12	8
- other services	38	22
Bad debts/Advances written off	3	34
Advertisement and Sales Promotion	1,000	759
Commission and Discount	3,270	2,588
Provision for Doubtful debts/Advances	110	56
Rates and Taxes	402	404
Information system Infrastructure Expenses	769	845
Other marketing expenses	14	55
Loss on Sale of Assets	180	5
Donation	163	122
Bank Charges	54	18
Administrative Expenses	284	204
Miscellaneous Expenses	1,350	1,263
Share in Joint Ventures	7,503	7,318
<b>Total Other Expenses</b>	<b>44,775</b>	<b>39,113</b>

The Group has incurred an amount of ₹ 234 Lakhs towards Corporate Social Responsibility activities during the current year ended 31 March, 2015.

## 32 CONTINGENT LIABILITIES

Particulars	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Letters of Credits & Guarantees issued by Bank	809	746
Guarantees issued/undertakings given	-	306
Bills discounted	2,562	1,289
Claims against the Group not acknowledged as debts	5,174	4,763
Share in Joint Ventures	2,154	1,991
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	1,138	1,692
Share in Joint Ventures	1,146	985

### Other Commitments

In respect of REVL, the Company has imported Capital Goods under the Export Promotion Capital Goods Scheme, of the Government of India, at concessional rates of duty on an undertaking to fulfill quantified exports amounting to ₹ 997 Lakhs within the period allowed under the scheme.

In respect of RNSS, the Company has received a demand notice from the Haryana State Industrial Development Corporation ("HSIDC" or "the Corporation") for an amount of ₹ 126 Lakhs in respect of enhancement cost for the land allotted to the Company by the Corporation. The demand comprises ₹ 76 Lakhs towards the principal cost and ₹ 49 Lakhs towards interest. The Company has deposited the principal amount without prejudice to their rights. The Company along with other plot-holders is contesting the demand and in view of the legal opinion obtained by the Company, the Company has not accrued for the interest cost demanded by the Corporation.

In respect of REVL, the company had dismissed four employees for the misconduct during strike period in 2009-10 after completing the necessary enquiry procedures. The aggrieved employees had challenged the dismissal in the labour court which has awarded reinstatement of the workmen without back wages. The company has filed a writ petition before the Honourable High Court of Karnataka challenging a portion of the award of the Labour Court. The company has neither made any provision for this in its books of account nor shown a contingent liability since the amount involved cannot be ascertained.

## 33 OPERATING LEASES

Particulars	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
The Group has operating lease agreements for office space and residential accommodation with option to renew with escalation.		
Lease Rental debited to the Consolidated Statement of Profit and Loss	64	59
Future minimum lease payments		
- not later than one year	20	19
- later than one year and not later than five years	32	28
- later than five years	-	-
	<b>52</b>	<b>47</b>
Office Equipments and Cars are taken on lease for a period ranging from one year to five years and are renewable at the option of the Company.		
Lease Rental debited to the Consolidated Statement of Profit and Loss	106	122
Future minimum lease payments		
- not later than one year	123	66
- later than one year and not later than five years	246	57
- later than five years	-	-
	<b>369</b>	<b>123</b>

**Note:** In respect of RML, the Company has taken vehicles under operating lease for a period of 48 months and the future minimum lease payments under non-cancellable operating lease for a period not later than 5 years amount to ₹ 134 Lakhs (Previous year - ₹ 44 Lakhs)

## 34 WARRANTIES

Particulars	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
Balance at the beginning of the year	404	360
Add: Provision made during the year	255	330
Less: Provision used against claims settled during the year	164	286
Balance at the end of the year	<b>495</b>	<b>404</b>
Share in Joint Ventures	421	540

## 35 SEGMENT REPORTING

The Company holds strategic investments in subsidiaries, joint ventures and associates (collectively called "the Group") all of which operate in single segment viz., components for Transportation industry and also provides consultancy and others services to the Group.

## 36 EXCEPTIONAL ITEMS

Particulars	₹ Lakhs	
	Year ended 31 March, 2015	Year ended 31 March, 2014
Voluntary Retirement Scheme (VRS)	(474)	(5,019)
Profit on sale of land	4,459	49
Product recall	189	(235)
	<b>4,174</b>	<b>(5,205)</b>

In respect of RML, exceptional items represent amount paid to employees under Voluntary Retirement Scheme (VRS) amounting to ₹ 324 Lakhs (Previous year ₹ 943 Lakhs)

In respect of REVL, exceptional items represents :

- Profit on sale of company's surplus land near Chennai alongwith appurtenant building amounts to ₹ 4,459 Lakhs (net of selling expenses of ₹ 41 Lakhs) (Previous year ₹ 49 Lakhs).
- Voluntary Retirement Scheme (VRS) expenditure in the nature of employee benefits paid to employees opted for VRS amounts to ₹ Nil (Previous year ₹ 4,076 lakhs)

In respect of RTSS, exceptional items represents :

Voluntary Retirement Scheme (VRS) expenditure in the nature of employee benefits paid to employees opted for VRS amounts to ₹ 46 Lakhs (Previous year ₹ Nil)

In respect of RNSS, exceptional item represents :

- Reversal of provision towards claim on recall on settlement which was made in previous year ₹ 55 Lakhs and the previous year represents claims accepted and provision made towards its obligation / public liability to a customer / recall of its vehicle owing to certain quality issues in the products supplied by the company amounting to ₹ 235 Lakhs
- ₹ 135 Lakhs of the current year represents insurance claim made by the Company towards loss incurred in the previous year owing to recall of its products because of certain quality issues. Based on the assessment made by the insurance company and upon receipt of confirmation, the same has been recognised in the current year.
- Voluntary Retirement Scheme (VRS) expenditure in the nature of employee benefits paid to employees opted for VRS amounts to ₹ 104 Lakhs (Previous year ₹ Nil)

### 37. NOTE ON MERGER

The Board of Directors of KML and REVL, at its respective meeting held on 20 May, 2014, approved a scheme of amalgamation of Kar Mobiles Limited (KML), (the Transferor Company), with Rane Engine Valve Limited (REVL), (the Transferee Company / the Company), pursuant to sections 391 to 394 of the Companies Act, 1956 (Scheme) with the appointed date as 1 April, 2014. This scheme was sanctioned by the Honourable High Court of Judicature at Madras vide their Order dated 26 February, 2015, which was filed with the Registrar of Companies, Tamilnadu, Chennai on 1 April, 2015 (the Effective Date).

In accordance with the REVL Scheme:

- i) The amalgamation has been accounted for under the “pooling of interest” method as prescribed by Accounting Standard (AS-14) specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accordingly, the assets, liabilities and reserves (including Profit & Loss account balances) of Kar Mobiles Limited as at 1 April, 2014 have been taken over at their book values and in the same form.
- ii) Pursuant to the scheme, the Company is entitled to receive 6,21,368 equity shares of ₹10/- each of REVL in exchange for 8,87,669 equity shares of ₹10/- each held by the Company in KML as on the date of the Scheme. As at 31 March, 2015, REVL has not allotted the equity shares to the Company and the same has been allotted to the Company on 4 May, 2015.

### 38 RELATED PARTY TRANSACTIONS

Details of related parties:

Description of relationship	Names of related parties 2014-15	Names of related parties 2013-14
<b>Joint Ventures</b>	Rane TRW Steering Systems Private Limited (RTSS)	Rane TRW Steering Systems Limited (RTSSL)
	Rane NSK Steering Systems Private Limited (RNSS)	Rane NSK Steering Systems Limited (RNSSL)
	JMA Rane Marketing Limited (JMA Rane)	JMA Rane Marketing Limited (JMA Rane)
<b>Associates</b>	SasMos HET Technologies Limited	Kar Mobiles Limited
		SasMos HET Technologies Limited
<b>Key Management Personnel (KMP)</b>	Mr. L Lakshman	Mr. L Lakshman
	Mr. L Ganesh	Mr. L Ganesh
<b>Relatives of KMP</b>	Mrs. Pushpa Lakshman	Mrs. Pushpa Lakshman
	Mr. Harish Lakshman	Mr. Harish Lakshman
	Mr. Vinay Lakshman	Mr. Vinay Lakshman
	Mrs. Meenakshi Ganesh	Mrs. Meenakshi Ganesh
	Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Mrs. Aparna Ganesh	Mrs. Aparna Ganesh
	Mrs. Shanti Narayan	Mrs. Shanti Narayan
	Mrs. Hema C Kumar	Mrs. Hema C Kumar
	Mrs. Vanaja Aghoram	Mrs. Vanaja Aghoram
	Mr. L Lakshman(HUF)	Mr. L Lakshman(HUF)
	Mr. L Ganesh(HUF)	Mr. L Ganesh(HUF)
<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>	Rane Foundation	Rane Foundation

Note: Related parties relationship are as identified by the Management and relied upon by the auditors.

## DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31 MARCH, 2015 AND BALANCES OUTSTANDING AS AT 31 MARCH, 2015

	Fee for Services rendered	Trade Mark Fee received	Dividend Received	Interest Income	Interest Paid	Sale of materials	Purchase of material compo- nents	Purchase of capital goods	Donation Paid	Loan taken	Loan given	Loan recovered	Loan Repaid	Guarantee given	Fixed Deposits accepted/ renewed/ repaid	Salary and Other Per- quisites	Commis- sion	Sitting Fee for Board and Committee Meetings	Others (Reim- burse- ment of Expenses)
₹ Lakhs																			
<b>Joint Ventures</b>																			
<b>Transactions during the year</b>																			
Rane TRW Steering Systems Private Limited	295 (284)	301 (281)	-	-	13 (95)	1,393 (1,862)	4 (5)	-	-	-	-	156 (63)	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	220 (204)	318 (269)	-	-	-	-	105 (187)	-	-	-	-	-	-	-	-	-	-	-	-
JMA Rane Marketing Limited	-	-	-	-	-	673 (1,527)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>																			
Rane TRW Steering Systems Private Limited	-	64 (25)	-	-	-	166 (247)	-	-	-	-	296 (457)	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	20 (2)	1	-	-	-	-	13 (20)	-	-	-	-	-	-	-	-	-	-	-	(1)
JMA Rane Marketing Limited	-	-	-	-	-	150 (337)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Associates</b>																			
<b>Transactions during the year</b>																			
Kar Mobiles Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SasMos HET Technologies Limited	(172) 9 (7)	(29) 7	(22)	41 (23)	-	(27)	(13)	-	-	249 (470)	-	-	249 (270)	-	-	-	-	-	(4)
<b>Balances outstanding at the end of the year</b>																			
Kar Mobiles Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SasMos HET Technologies Limited	(3) 1	- 9	- 5	-	-	(7)	-	-	-	200 (200)	-	-	-	-	(300)	-	-	-	-
<b>Key Management Personnel (KMP)</b>																			
<b>Transactions during the year</b>																			
Mr. L Lakshman	-	-	-	-	(3)	-	-	-	-	-	-	-	-	-	5	67	84	-	-
Mr. L Ganesh	-	-	-	-	3	-	-	-	-	-	-	-	-	-	1	103	17	(1)	-
	-	-	-	-	(3)	-	-	-	-	-	-	-	-	-	-	(108)	(37)	-	-

# DETAILS OF RELATED PARTY TRANSACTIONS DURING THE YEAR ENDED 31 MARCH, 2015 AND BALANCES OUTSTANDING AS AT 31 MARCH, 2015

	Fee for Services rendered	Trade Mark Fee received	Dividend Received	Interest Income	Interest Paid	Sale of materials	Purchase of material compo- nents	Purchase of capital goods	Donation Paid	Loan taken	Loan given	Loan recovered	Loan Repaid	Guarantee given	Deposits accepted/ renewed/ repaid	Fixed Salary and Other Per- quisites	Commis- sion	Sitting Fee for Board and Committee Meetings	Others (Reim- burse- ment of Expenses)
<b>Balances outstanding at the end of the year</b>																			
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. L Ganesh	-	-	-	-	15	-	-	-	-	-	-	-	-	-	-	-	17	-	-
<b>Relatives of Key Management Personnel (KMP)</b>																			
<b>Transactions during the year</b>																			
Relatives of the KMP	-	-	-	-	19	-	-	-	-	-	-	-	-	-	41	-	-	2	-
<b>Balances outstanding at the end of the year</b>																			
Relatives of the KMP	-	-	-	-	(20)	-	-	-	-	-	-	-	-	-	(106)	(68)	-	(2)	-
<b>Company in which KMP / Relatives of KMP can exercise significant influence</b>																			
<b>Transactions during the year</b>																			
Rane Foundation	-	-	-	-	-	-	-	-	178	-	-	-	100	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>																			
Rane Foundation	-	-	-	-	-	-	-	-	(178)	-	-	-	-	-	-	-	-	-	-
<b>Balances outstanding at the end of the year</b>																			
Rane Foundation	-	-	-	-	-	-	-	-	-	225	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	(1)	-	-	-	(300)	-	-	-	-	-	-	-	-	-

Note: Figures in bracket relates to the previous year.



### 39 DISCLOSURE AS PER AS 15 - EMPLOYEE BENEFITS (INCLUDING SUBSIDIARIES AND JOINT VENTURES)

The Group's obligation towards the defined benefit plan of gratuity and leave encashment are as follows:-

Particulars	₹ Lakhs	
	As at 31 March, 2015	As at 31 March, 2014
<b>(a) Defined Benefit Plan - Gratuity</b>		
Present value of obligation at the beginning of the year	3,499	4,058
Pursuant to merger (Refer Note 37)	898	-
Interest cost	361	313
Current service cost	447	318
Benefits paid	(483)	(1,100)
Actuarial (gain)/loss on obligation	353	(90)
<b>Present value of obligation as at the end of the year</b>	<b>5,075</b>	<b>3,499</b>
<b>Fair value of plan assets at the beginning of the year</b>	<b>3,060</b>	<b>3,499</b>
Pursuant to merger (Refer Note 37)	435	-
Expected return on plan assets	315	277
Contribution	446	394
Benefits paid	(483)	(1,100)
Actuarial (loss) / gain on plan assets	(7)	(10)
<b>Fair value of plan assets at the end of the year</b>	<b>3,766</b>	<b>3,060</b>
<b>Amounts recognised in the Balance Sheet</b>		
Present value of obligation as at the end of the year	5,075	3,499
Fair value of plan assets at the end of the year	3,766	3,060
<b>Funded status of the plan - liability</b>	<b>1,309</b>	<b>439</b>
<b>Amounts recognised in the Consolidated Statement of Profit and Loss</b>		
Current service cost	447	318
Interest cost	361	313
Expected return on plan assets	(315)	(277)
Net actuarial (gain)/loss recognised in the year	360	(80)
<b>Expenses recognised in the Consolidated Statement of Profit and Loss</b>	<b>853</b>	<b>274</b>
<b>Enterprises' best estimate of contribution during the next year</b>	<b>492</b>	<b>333</b>
<b>Principal actuarial assumptions as at Balance Sheet date</b>		
Discount rate	7.80% to 8.00%	8.00% to 9.20%
Salary escalation	4.50% to 8.00%	4.50% to 8.00%
Expected return on plan assets	8.75% to 9.00%	8.00% to 9.40%
Attrition rate	2.83% to 8.00%	1.50% to 8.00%
<b>(b) Long-Term Benefits - Compensated absences</b>		
<b>Principal actuarial assumptions as at Balance Sheet date</b>		
Discount rates	7.80% to 9.10%	8.00% to 9.10%
Salary escalation	4.50% to 8.00%	4.50% to 9.30%
Attrition rate	2.83% to 8.00%	1.50% to 8.00%

## 40 DERIVATIVE INSTRUMENT AND UNHEDGED FOREIGN CURRENCY EXPOSURE

Rane (Madras) Limited (RML), a subsidiary company uses derivative financial instruments such as forward contracts and option contracts to limit the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contract and option contracts, where the counterparty is a bank.

I. The following derivative positions are open as at 31 March, 2015.

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March, 2015.

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	1,00,000	₹
USD	Sell	(10,00,000)	₹
JPY	Buy	21,08,44,690	₹
JPY	Buy	(8,04,77,500)	₹

(ii) Outstanding option contracts entered into by the Company as on 31 March, 2015.

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	7,50,000	₹
USD	Sell	(31,15,000)	₹

**Note:** Figures in brackets relate to the previous year

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Nature of transaction	As at 31 March, 2015		As at 31 March, 2014	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	INR in Lakhs	FCY in Lakhs	INR in Lakhs	FCY in Lakhs
Loan - USD	(4,526)	-\$73	(4,331)	-\$72
Receivables - USD	2,251	\$36	2,629	\$42
Receivables - EUR	194	€3	176	€ 2
Loan - EUR	(26)	*	(13)	*
Payables - USD	512	\$8	(566)	-\$9
Payables - EUR	(37)	- € 1	(59)	- € 1
Payables - YEN	-	-	(7)	-¥8
Advances - USD	(87)	-\$1	555	\$9
Advances - EUR	-	-	13	*
Advances - GBP	-	-	9	-
Advances - YEN	(18)	-¥34	-	¥2

\*Amount is below the rounding off norm adopted by the Company

Rane Engine Valve Limited (REVL), a subsidiary company uses derivative financial instruments such as forward contracts and option contracts to limit the effects of foreign exchange rate fluctuations by following established risk management policies including the use of derivatives. The Company enters into forward contract and option contracts, where the counterparty is a bank.

The details of Derivative instrument outstanding's and Unhedged Foreign Currency exposure in respect of REVL detailed below:-

Sl. No.	Purpose	Nature	Currency	31 March, 2015	31 March, 2014	31 March, 2015	31 March, 2014
				FCY in Lakhs		₹ in Lakhs	
<b>1</b>	<b>Forward Currency Swap Outstanding</b>						
	ECB Loan taken in USD 3,250,000 and swapped against INR	Cross Currency Swap	INR	2	12	110	548
	ECB Loan taken in USD 5,000,000 and swapped against INR	Cross Currency Swap	INR	18	32	788	1,418
	ECB Loan taken in USD 5,000,000 and swapped against INR	Cross Currency Swap	INR	28	41	1,496	2,161
	ECB Loan taken in USD 1,900,000 and swapped against INR	Cross Currency Swap	INR	5	-	215	-
2	Payable in USD	Currency Swap	INR	21	8	1,331	461
	Receivable in USD	Currency Swap	INR	30	-	1,877	-
	Receivable in EUR	Currency Swap	INR	2	6	149	541
3	Receivable in EUR	Currency Options	INR	-	2	-	193
<b>4</b>	<b>Unhedged Foreign Currency Exposure</b>						
	a) PCFC Loan in USD		USD	9	10	543	569
	b) PCFC Loan in EUR		EUR	-	8	-	618
	Buyer's Credit in USD		USD	6	-	380	
	c) Outstanding Debtors		USD	38	5	2,411	318
			EUR	3	-	215	-
			GBP	*	*	2	5
			AUD	-	*	-	8
	EEFC balance in USD		USD	*	-	*	-
	d) Outstanding Creditors - Goods		USD	9	4	529	212
			EUR	*	*	3	3
			GBP	*	*	(1)	(1)
			SGD	-	*	-	(1)
			JPY	193	-	100	-
	e) Outstanding Creditors - Expenses		EUR	*	*	*	36
			AUD	*	*	19	2
			USD	1	-	39	-

\*Amount is below the rounding off norm adopted by the Company

In respect of subsidiary company Rane Brake Lining Limited (RBL), the category wise quantitative data about derivative instruments outstanding at the balance sheet date is given below :

Sl. No.	Particulars		31 March, 2015	31 March, 2014
			FCY in Lakhs	
I	Foreign Currency Exposures that are directly hedged by a derivative instrument or otherwise			
1	Receivables	GBP	*	1
2	Payables	JPY	209	420
3	Foreign Currency Loan	DOLLAR	4	-
		JPY	223	-
II	Foreign Currency Exposures that are not directly hedged by a derivative instrument or otherwise			
4	Payables	DOLLAR	-	-
		EUR	*	*
		JPY	109	102
5	Receivables	DOLLAR	4	5
		EUR	1	*
		GBP	*	*
		AUD	*	-

\*Amount is below the rounding off norm adopted by the Company

Rane TRW Steering Systems Private Limited (RTSS), a Joint Venture company enters into foreign currency forward contracts as per its risk management policies and procedures to manage its exposure in foreign exchange rates. The counter party is generally a bank. Generally, RTSS takes forward contracts for a period of 6 months.

The following are outstanding Foreign Exchange Forward Contracts, which have been designated as Cash Flow Hedges

Sl. No.	Currency	No. of Contracts	31 March, 2015		No. of Contracts	31 March, 2014	
			Notional amount of Forward Contracts FCY in Lakhs	MTM Gain/(Loss) ₹ in Lakhs		Notional amount of Forward Contracts FCY in Lakhs	MTM Gain/(Loss) ₹ in Lakhs
1	USD	1	*	*	-	-	-
2	EUR	1	*	*	1	1	1

Outstanding forward exchange contracts entered into by the company as on 31 March,2015

Currency	Buy/Sell	31 March, 2015	31 March, 2014	Cross Currency
		₹ in Lakhs		
USD	Buy	340	281	₹
EUR	Buy	535	413	₹
GBP	Buy	11	-	₹

## Outstanding Unhedged Receivable as on :

Currency	31 March, 2015		31 March, 2014	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
USD	32,523	21	8,411	5
EUR	77,908	44	32,145	27
JPY	23,70,278	12	1,80,000	1
GBP	6,606	6	6,582	7
CHF	3,366	2	-	-
		<b>85</b>		<b>40</b>

## Outstanding Unhedged Payable as on:

Currency	31 March, 2015		31 March, 2014	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
CHF	1,800	1	1,620	1
USD	1,02,557	64	1,11,972	68
EUR	93,861	63	2,50,889	208
GBP	791	1	4,980	5
JPY	18,59,162	10	3,65,404	69
		<b>139</b>		<b>351</b>

\*Amount is below the rounding off norm adopted by the Company

In respect of Rane NSK Steering Systems Private Limited (RNSS) the details of Derivative instrument outstanding and Unhedged Foreign Currency exposure are detailed below:-

Purpose	Nature	Currency	31 March, 2015	31 March, 2014
			FCY in Lakhs	FCY in Lakhs
Hedge of Foreign currency loan	Forward contract	USD	-	30
Hedge against exposure to variable interest	Interest rate swaps	USD	10	10
Hedge against exposure to variable interest	Interest rate swaps	USD	16	16
Hedge against exposure to variable interest	Interest rate swaps	USD	4	4

Purpose	Currency	31 March, 2015		31 March, 2014	
		FCY in Lakhs	₹ in Lakhs	FCY in Lakhs	₹ in Lakhs
Unhedged Foreign Currency Exposure					
Trade Payables	USD	8	482	9	548
Trade Payables	JPY	1,007	524	1,408	829
Trade Payables	EUR	1	60	*	38
Trade Payables	THB	28	54	10	19
Trade Receivable	USD	-	-	1	55

## 41 USEFUL LIFE OF FIXED ASSETS

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1 April, 2014, the Group has changed its estimated useful life of certain categories of assets to align the useful life with those prescribed in Schedule II. The details of previously applied and currently adopted depreciation method, rates / useful life are as follows:

Asset	Basis	Previous depreciation rate / useful life	Useful life as per Schedule II	Useful Life Adopted
Building	Schedule - II	1.63% / 61 years	60 years	60 years
Factory Buildings	Schedule - II	3.34% / 30 years	30 years	30 years
Plant & Machinery -Single shift	Schedule - II	4.75% / 21 years 13 years	15 years 13 years	15 years
Plant & Machinery - Double shift	Schedule - II	13 years	13 years	10 years
Electrical Equipment	Schedule - II	4.75% / 21 years	10 years	10 years
Furniture	Technical Assessment	20.00% / 5 years	10 years	5 years
Office Equipment	Technical Assessment	33.33% / 3 years	5 years	3 years
Computers	Technical Assessment	25.00% / 4 years	3/6 years	3/4 years
Vehicles	Technical Assessment	20.00% / 5 years	6/8 years	5 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Group has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1 April, 2014, and has adjusted an amount of ₹ 193 lakhs (net of deferred tax of ₹ 99 lakhs) against the opening reserve surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ 1,119 Lakhs consequent to the change in the useful life of the assets.

## 42 ADDITIONAL INFORMATION AS PER SCHEDULE III TO THE COMPANIES ACT, 2013

₹ Lakhs

Name of the entity	Net assets, i.e., total assets minus			
	total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
Parent : Rane Holdings Limited	6%	9,435	37%	2,593
<b>Subsidiaries</b>				
<b>Indian</b>				
1. Rane (Madras) Limited	31%	51,894	18%	1,245
2. Rane Engine Valve Limited	21%	34,169	33%	2,348
3. Rane Brake Lining Limited	15%	25,264	23%	1,612
<b>Foreign</b>				
1. Rane Holdings America Inc.	0%	34	0%	14
Minority Interests in all subsidiaries			-36%	(2,570)
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
1. SasMos HET Technologies Limited	-	1,741	1%	42
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
1. Rane TRW Steering Systems Private Limited	11%	18,178	20%	1,422
2. Rane NSK Steering Systems Private Limited	10%	15,697	20%	1,449
3. JMA Rane Marketing Limited	1%	1,340	1%	75
Consolidation Adjustments	5%	8,495	-17%	(1,138)

## 43 EARNINGS PER SHARE

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
Profit After Tax ₹ Lakhs	7,094	4,344
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹ 10/- each - Basic & Diluted	49.69	30.42

## 44 PREVIOUS YEAR'S FIGURE

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

### 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 statement of subsidiaries / associate companies / joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹)

		₹ In Lakhs USD in Thousands			
1. SI. No.		1	2	3	4
2	Name of the subsidiary	Rane (Madras) Ltd	Rane Engine Valve Ltd	Rane Brake Lining Ltd	Rane Holdings America Inc
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period				
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.				USD 1US\$ = ₹ 62.62
					US\$    INR
5.	Share capital	1,874	515	791	20    10
6.	Reserves & surplus	13,499	10,880	11,379	58    23
7.	Total assets	53,403	34,285	25,509	137    54
8.	Total Liabilities	38,030	22,890	13,339	59    21
9.	Investments	-	55	37	0    0
10.	Turnover	77,997	39,923	41,849	392    240
11.	Profit before taxation	1,684	3,146	2,060	28    17
12.	Provision for taxation	440	798	449	5    3
13.	Profit after taxation	1,244	2,348	1,611	23    14
14.	Proposed Dividend	473	168	554	-    -
15.	% of shareholding	56.3%	51.1%	46.1%	100.0%

## Part “B”: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

₹ In Lakhs

Name of Associates/Joint Ventures	Joint Venture Companies			Associate Company
	Rane TRW Steering Systems Private Ltd	Rane NSK Steering Systems Private Ltd	JMA Rane Marketing Ltd	SasMos HET Technologies Ltd
<b>1. Latest audited Balance Sheet Date</b>	31 March 2015	31 March 2015	31 March 2014	31 March 2015
<b>2. Shares of Associate/ Joint Ventures held by the company on the year end</b>				
Number of Shares	43,69,123	87,71,000	3,60,003	6,11,399
Amount of Investment in Associates/Joint Venture	2,332	1,012	36	1,719
Extend of Holding %	50.0%	49.0%	49.0%	45.2%
<b>3. Description of how there is significant influence</b>	Note 1	Note 1	Note 1	Note 1
<b>4. Reason why the associate/joint venture is not consolidated</b>	-	-	-	-
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	10,845	4,826	852	362
<b>6. Profit / Loss for the year</b>				
i. Considered in Consolidation	1,422	1,449	92	51
ii. Not Considered in Consolidation	1,422	1,508	96	61

Note 1 : There is significant influence due to percentage (%) of Share Capital.

For and on behalf of the Board

**L GANESH**  
Vice Chairman

**L LAKSHMAN**  
Executive Chairman

Place : Chennai  
Date : 26 May, 2015

**J ANANTH**  
Chief Financial Officer

**C SIVA**  
Secretary



## Particulars of Directors, Key Managerial Personnel and Employees

### A. Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### 1. Remuneration paid to Directors and Key Managerial Personnel (KMP)

Name	Designation	% increase/ (decrease) of remuneration FY 2014-15	% increase/ (decrease) in Profit Before Tax (PBT) for FY 2014-15	Ratio of remuneration to median remuneration of employees
<b>Director and Key Managerial Personnel</b>				
Mr L Lakshman	Executive Chairman and Managing Director (MD)	10 %	17%	28.34
Mr L Ganesh	Vice-Chairman and Joint Managing Director (JMD)	8 %	17%	19.25
<b>Key Managerial Personnel</b>				
Mr. C Siva	Secretary	17 %	17%	N.A
Mr. J Ananth	Chief Financial Officer (CFO)	25 %	17%	N.A

N.A – Not Applicable

- (i) None of the other directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof.
2. Median remuneration of the employees of the Company for FY 2014-15 is ₹ 6.05 lakhs. Decrease in median remuneration during the year: 24%.
3. Number of permanent employees on the rolls of the Company as on March 31, 2015 was 77 and March 31, 2014 was 67.
4. Relationship between average increase / decrease in remuneration and company performance:  
During FY 2014-15, the total income grew by 12% and PBT grew by 17%, whereas the average remuneration increased by 13%.
5. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:  
The total remuneration of Key Managerial Personnel increased by 11% in 2014-15. The Profit before Tax increased by 17% in 2014-15.
6. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year :15%.  
The percentile increase in managerial remuneration: 9%. The increase in managerial remuneration is in line with the present industry standards.
7. Ratio of remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of highest paid director during the year: Not Applicable
8. Key parameters for any variable component of remuneration availed by the directors  
There are no key variable components in the remuneration paid to the non-executive directors except in the case of Executive Chairman and Managing Director who is entitled to receive commission as per the approval of shareholders and decided by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee.

## 9. Variation in market capitalisation and price earnings ratio:

	March 31, 2015	March 31, 2014	% change
Market capitalisation of the Company (based on closing prices quoted on BSE) (₹ In crores)	833.11	270.35	208.15%
Price earnings ratio	32.13	12.44	158.28%

Percent increase over/decrease in the market quotations of shares of the company as compared to the rate at which company came out with last public offer: Not applicable, as the shares of the company were not issued and allotted under any public offer.

## 10. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

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

## i. Employed throughout the financial year with remuneration not less than ₹60 lakhs per annum.

Name	Designation	Remuneration (In ₹)	Qualifications	Age (years)	Experience (years)	Date of Joining	Nature of employment (Permanent/ contractual)	Previous employment & designation	No. of shares held in Company	Relationship with any director / manager
Mr L Lakshman	Executive Chairman	1,71,57,395	B.E., Executive MBA	68	45	1st April 2008	Permanent	Managing Director, Rane Brake Lining Ltd.	6,62,940	Relative of L Ganesh, Harish Lakhsman.
Mr L Ganesh	Vice Chairman	1,16,54,805	B.Com., ACA, MBA	61	37	1st August 2009	Permanent	Chairman & Managing Director – Rane Engine Valve Ltd.	7,12,196	Relative of L Lakshman.
Mr R Venkata narayanan	President – Corporate Services	71,97,260	B.Sc., PG Dip. in Social Science, MHRM	53	30	17th March 2007	Permanent	General Manager – Human Resource, Rane Brake Lining Ltd	NIL	NIL

## ii. Employed for part the financial year with remuneration not less than ₹5 lakhs per month : NIL



**Rane Holdings Limited**

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