



Dream. **Design.** Deliver.



**Rane Holdings Limited**  
81<sup>st</sup> Annual Report 2016-17

**Rane**  
Expanding Horizons

## Corporate Overview

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### Caution regarding forward-looking statements

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



# Dream. Design. Deliver.

When we envision a dream, it seems distant... far away. Even impossible. By 2010, we have laid a solid foundation over the past 75 years. Creating a dream is not an easy task... so many things to aspire for, so many things to consider.

There is no magic formula to bridge journey between Dream and Deliver. Design is the arduous route to be taken with sweat, determination and hard work to complete the process. Of course, it is not a single, long straight path. The past few years has seen intensifying walking on the designed path. Yes, there have been course corrections as we progressed early results of our strategy is starting to become visible. It gives us confidence on the direction taken and the course designed to ensure a flawless delivery of continued profitable growth in the years to come. As we step closer to the Dream, we are confident that the Design is right, further boosting our motivation to keep working hard, and start delivering to all our stakeholders.

## Flashback 2010

# We Dreamt

2010... seems like yesterday. It was the year when the Company completed its 75 years and celebrating the accomplishment of a dream – operational excellence. With TQM as way of life at Rane, the pursuit of operational excellence had brought in rich dividends as the Company transcended customer satisfaction and became a preferred vendor for global auto majors.

To create our tomorrow, we had to create the dream today. Dreaming is easy but dreaming big with a conviction to convert it into reality is indeed a tough task. Before we set on the creating our dream, we had to look at what we had achieved so far, build our capabilities, understand our culture, ponder about how much could we stretch, think about the ever changing market landscape and much more.

The previous decade saw the organization being re-built around TQM and operational excellence. It had given a common theme to the Company and united the various stakeholders – our customers, our suppliers, our employees and our community. We tried to map the manufacturing landscape and saw that OE would look at near-sourcing as they set forth to increase their operational and financial efficiencies. We understood that Safety, one of the key features of the developed auto markets, would have to become a standard feature in India as auto customers start demanding the best.

Such introspection and analysis led us crystallizing the Rane dream in 2010 to make the coming decade 2011-20 as a Decade of Profitable Growth.

*"Yesterday is but today's memory,  
and tomorrow is today's dream."*

– Khalil Gibran



Such introspection and analysis led us crystallizing the Rane dream in 2010 to make the coming decade 2011-20 as a Decade of Profitable Growth.



# We Designed

For the past few years, we have designed multiple endeavours all aligned to make the dream a reality. To achieve the dream, we designed initiatives to focus on intensifying our international business. This saw the strengthening of the export business as well as the acquisition of the Precision Die Casting Inc. USA. As TQM became a way of life, we designed the next phase of the Company's operational philosophy - business excellence across the organization.

Our initiatives around increasing process, operational and financial efficiencies and sweating our assets continue relentlessly to aid the dream of creating a decade of

profitable growth. We have planned the increase in investments in R&D so as to create best in class products benchmarked with the best in the world. This has created a better and higher value added products giving the Company a formidable competitive advantage.

Finally, we charted a path to ensure that the Company aligns its most important resource, people, to the vision and invest in building capability and capacity of the people.

*"We all have dreams. But in order to make dreams come into reality, it takes an awful lot of determination, dedication, self-discipline, and effort."*

**- Jesse Owens**



Our initiatives around increasing process, operational and financial efficiencies and sweating our assets continue relentlessly to aid the dream of creating a decade of profitable growth.



# We Delivered

Since 2011, the Company continues to focus on Designing its part to achieve the Dream. We have done course correction, wherever necessary, persisting on the stated path, however long and arduous.

We had envisioned that in this decade, as India becomes the cynosure of the world, the consumer expectations from companies are also going to rise exponentially. Also, the design element of our strategy has tried to leverage mega trends such as Electrification, Connectivity and Autonomous Driving. This has resulted in strengthening our existing product line with major investments in R&D and building manufacturing efficiencies. In the process, we have forayed into new avenues of growth namely Occupant Safety.

Leveraging the solid foundations of having world-class manufacturing practices, we aimed at increasing revenue from beyond the shores of India. This saw us not only

focusing on exports from India but also laid the foundation of our US acquisition. The strategy has paid rich dividends. In FY17, revenues from our international business was at 21% up from 16% of the total turnover in FY12. In conjunction with accelerated growth, we designed to build deeper relations with OEs across the globe.

At the end of the fiscal, we have delivered and have made deeper inroads into top tier OEs across India, South East Asia, Europe and the US.

*"Customers don't measure you on how hard you tried. They measure you on what you deliver."*

**- Steve Jobs**



Since 2011, the Company continues to focus on Designing its part to achieve the Dream. We have done course correction, wherever necessary, persisting on the stated path, however long and arduous.



# The World of Rane

Established in 1929, Rane Holdings Limited (RHL), through its group companies, is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is recognized as the preferred Original Equipment vendor for auto major in India and overseas. It supplies to all sections of automobile industry including passenger car, light commercial vehicle, medium and heavy commercial vehicle, two-wheeler, three-wheeler, multi-utility vehicle and farm tractor.

Rane Holdings has a multi-location presence in India with 23 plants across the country. With the acquisition of US-based Precision Die Casting Inc., it has a presence in USA.

## Vision

To maintain market leadership and achieve sales of ₹ 5,500 Crores by 2019-20

## Mission

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

Rane Holdings plays a key role in setting the vision for the group and its various companies and offering consultancy and other services to its subsidiaries. A sharp focus by the Group on operational excellence through Total Quality Management (TQM) has seen its various group companies been awarded three Deming Grand Prizes and four Deming Prizes.

## Global Footprints



## Corporate Structure

### Subsidiaries

- Rane (Madras) Limited
  - Rane (Madras) International Holdings, B.V., The Netherlands
  - Rane Precision Die Casting Inc., USA

Rane Engine Valve Limited

Rane Brake Lining Limited

Rane Holdings America Inc., USA

Rane Holdings Europe GmbH, Germany

### Joint Ventures

Rane TRW Steering Systems Private Limited

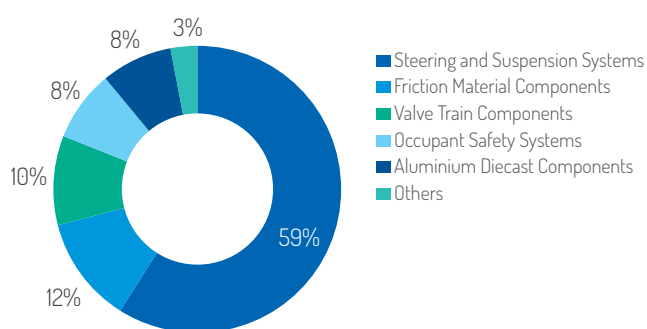
Rane NSK Steering Systems Private Limited

JMA Rane Marketing Limited

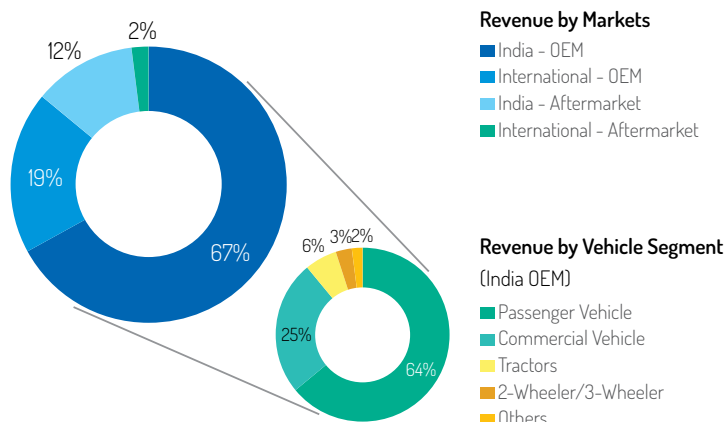
## Key Customers



Revenue by Product Category



Revenue by Markets &  
Revenue by Vehicle Segment (India OEM)



## Our Portfolio

Company	Products
Rane (Madras) Limited	Steering Gear Products, Suspension & Steering Linkage Products and Die Casting Products
Rane Engine Valve Limited	Engine Valve, Valve Guides and Tappets
Rane Brake Lining Limited	Brake Linings, Disc Pads, Clutch Facings and Clutch Buttons
Rane Holdings America Inc., USA.	Business Development services in North American region for Rane group companies
Rane TRW Steering Systems Private Limited	Hydraulic Steering Gear, Hydraulic Pump, Seat Belt and Air Bag
Rane NSK Steering Systems Private Limited	Manual Steering Column and Electric Power Steering
JMA Rane Marketing Limited	Automotive component trading company with a pan-India dealer network
Rane Precision Die Casting Inc., USA	Die Casting Products

# Financial Highlights

## Rane Holdings Limited Standalone

₹ in Crore

Particulars	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Total Income	98.80	75.85	59.94	53.50	57.73	63.91	48.42	45.14	34.97	42.13
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	67.00	46.29	33.99	29.16	34.49	41.05	28.29	30.08	21.04	25.71
Profit Before Tax (PBT)	62.81	42.90	32.68	27.95	32.53	38.11	43.14	27.39	18.29	22.86
Profit After Tax (PAT)	49.86	35.65	25.92	21.73	25.95	34.25	40.03	25.13	16.30	20.90
Return on Capital Employed (ROCE) (%)	18.94	14.70	11.81	10.60	12.97	15.89	11.25	13.12	10.04	15.61
Return on Net Worth (RoNW) (%)	15.34	12.17	9.38	8.24	10.32	14.54	18.54	12.86	9.05	14.76
Earnings per equity share (₹)	34.92	24.97	18.16	15.22	18.17	23.99	28.04	17.60	11.41	14.56
Dividend (%)	85.00	100.00	75.00	65.00	80.00	100.00	125.00	80.00	40.00	60.00
Book value per equity share (₹)	243.02	212.14	198.25	188.75	180.81	171.50	158.35	144.04	129.78	122.37

# Balance Sheet Highlights\*

## Rane Holdings Limited Standalone

₹ in Crore

Particulars	FY17	FY16	FY15	FY14	FY13	FY12
Equity Share Capital	14.28	14.28	14.28	14.28	14.28	14.28
Shareholders' funds	346.98	302.90	283.06	269.49	258.16	244.87
Non current liabilities	8.45	22.40	0.64	0.84	2.65	4.11
Current liabilities	13.65	12.23	18.47	16.93	14.25	22.06
Non current assets	304.13	320.74	280.92	273.17	267.38	264.33
Current assets	64.95	16.79	21.25	14.09	7.68	6.71

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

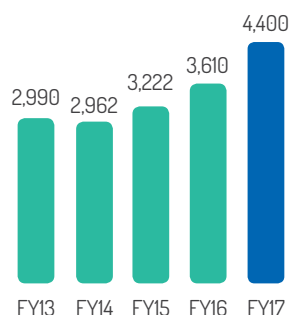
## Business Highlights

- Rane (Madras) Limited commenced production of Rack & Pinion gear manufacturing in the Varanavasi plant and ramped up production volumes in newly commissioned Die casting plant in Hyderabad.
- Rane TRW Steering Systems Private Limited successfully commenced supply of Seatbelts for export customer and also won orders for Airbags from the same customer.
- Rane Engine Valve Limited achieves operational efficiency focusing on productivity and quality with a rejection level less than 10 parts per million for automotive OEM customers
- Rane NSK Steering Systems Private Limited ramped up capacity at Bawal plant to cater to the increased demand for EPS business.
- Rane Brake Lining Limited continued to maintain global benchmarks in quality standards and successfully accomplished post Deming Grand Prize (DGP) review.

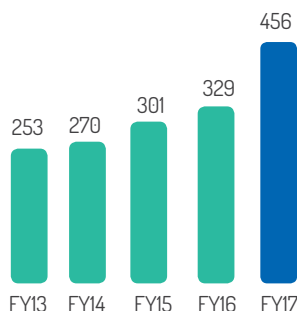
# Key Performance Indicators

Group aggregate (except for earnings per share)

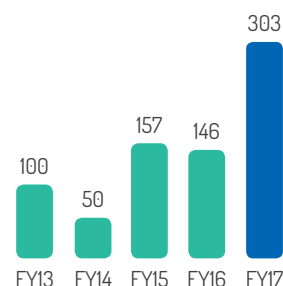
## Revenue (₹ in Crore)



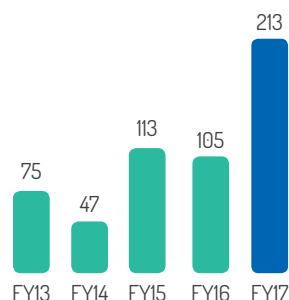
## EBITDA (₹ in Crore)



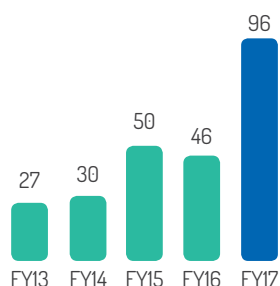
## PBT (₹ in Crore)



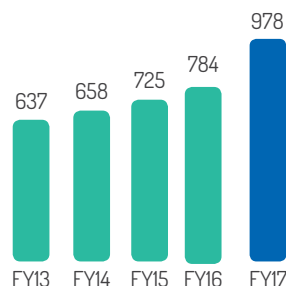
## PAT (₹ in Crore)



## EPS (in ₹)



## Net Worth (₹ in Crore)



## Awards & Accolades

### Rane (Madras) received

- Special Appreciation award for Yuvo project from M&M
- Spare Parts Business Growth Award & Kaizen award for Painting quality from TAFE
- Best support for New Part Introduction and VOR parts award from Tata Motors

### Rane Brake Lining received

- Certification of Performance in Friction Material from Brakes India

### Rane NSK Steering Systems received

- Special Contribution in KATA Program from Volvo Eicher C.V.
- Recognition of Special Support from Maruti Suzuki
- Quality: Best outstanding supplier 2<sup>nd</sup> runner up from Tata Motors

### Rane Engine Valve received

- Category Partner award from Cummins for global supply
- Good Quality rating award from John Deere
- Best Supplier 2016 award from Tata Motors
- Contribution acknowledged in building "Technology Advanced Mahindra YUV0" and "The Young SUV KUV 100" from M&M

# Message from the Chairman Emeritus

Dear Shareholders,

Forty-seven years is a long time, yet it seems only like yesterday... It was 47 years ago that I stepped into the world of Rane as a management trainee. Since then the journey has been in equal measures interesting, challenging and satisfying. Over these long years, I have seen significant changes at Rane, India and across the globe. Looking at the India of then and now, I have seen the licence raj, whiffed the first fragrance of liberalization and India taking its rightful place on the global high table – all part of the changing milieu. Even at Rane, I have seen each one of us adapting to these changes, at times stumbling, yet getting to a place today where we are the partners of choice for many OEMs, the preferred brands in the replacement markets and a strong export story as we compete with the best in the world. It has been a journey for me to take the Company which is now fully geared to as a world-class player in automotive products. Truly, it has been a fantastic journey so far!

Yet the more things change, the more they remain the same! Ever since I took on the mantle of the Rane Group, I realised the importance of skill development of our people. Even as I have raised this in multiple forums during the last many years, I see not much change in this area. While we stand at a historic inflection point where our young and energetic population can take the country to new heights, I hope the governments and companies take the issue of skill very seriously. Today we churn

out millions of graduate who are not employable in the industry. We need to seriously evaluate the entire curriculum to have a ready work force else we lose the advantage of a large and young workforce. The young and restless at heart workforce also brings to the fore another issue – low manufacturing activity in the country. Manufacturing can be one of the key sectors to create the necessary jobs but the sector continues to languish at 16-17% of the total GDP. Even with the 'Make in India' and the aspiration of taking the manufacturing sector to 25% of the GDP by 2025, it will not be possible if we do not equip our workforce to take on the challenges of changing economics of production and distribution and frequent shifts in consumer demand. Finally, there is a strong case of going beyond 'Make in India' and start the march towards 'Design in India'. Rane has adopted this philosophy and we have had to make cultural changes to bring R&D at the forefront of business and seen success follow us.

The automotive world will continue to be challenging and interesting. Disruptions are becoming more norms than exceptions; changes are happening at breakneck speed even as the concept of mobility itself is changing. This will need a cultural change in organizations else we see many companies falling by the wayside. I am proud to mention that 'change is the only constant' way of life has been deeply embedded in each one at Rane.

As I sign off and take on other interesting roles within and outside Rane, I hand over reins to L Ganesh with the confidence that we are ready to take on any change and he will continue to build on the Rane legacy.

Finally, I would like to place on record my sincere appreciation of the efforts put in by each employee and our other stakeholders including customers, partners, etc. which has enabled me to make this journey worthwhile and extremely enjoyable.

L. Lakshman  
Chairman Emeritus

There is a strong case of going beyond 'Make in India' and start the march towards 'Design in India'. Rane has adopted this philosophy and we have had to make cultural changes to bring R&D at the forefront of business and seen success follow us.



# From the Desk of the Chairman & Managing Director

Dear Shareholders,

As L Lakshman, who retired as Executive Chairman and Managing Director, takes on the new role as Chairman Emeritus, I would thank him for unceasingly playing a stellar role for over two and half decades and taking the Company to great heights making it the preferred supplier for all the major auto OEMs in India and beyond. I am confident that I can always look up to him even as he continues to guide me and the Company to ensure the next phase of growth journey.

FY17 was one of most uncertain ones I can recall. The huge surprise of Brexit and referendum in Italy, the results of the US Presidential election and rise of populism across Europe has created a different and uncertain world. India was no exception... as the India's currency reforms took everyone by surprise resulting in the country losing its tag of the fastest growing economy in the last quarter of the fiscal. Nevertheless, with a 7.1% growth rate in FY17, India continued to do well in terms of economic expansion. The big news during the year was the passage of the Goods and Service Tax (GST) legislation. According to most experts the implementation of GST is expected to usher in new prospects for the economy, auto ancillary companies and fuel the growth of the sector.

Beyond GST, the country continued to see soft interest regime, low crude prices and government's seriousness in investing in the core sector. However, what has been amiss is the low private capex creation. Despite the softening of interest rates, corporates are yet to begin investments in new projects even as the country witnesses jobless growth. This is also a test to the government's 'Make in India' project which is moving slower than anticipated.

Your Company is no stranger to challenges and uncertainties. The decisions and actions taken in the past to achieve Vision 2020 are showing growth and throwing up new opportunities. We continue on our established path of prudent conservatism to ensure sustainable and profitable growth. Our mantra continues to be focused on enhancing efficiency, achieving cost rationalization and exploring new revenue sources by entering new businesses and geographies. Moreover, our first acquisition in the US is contributing to the overall growth. Our group companies are focusing on business which promises higher and profitable growth in the coming years. We continue to focus on corporate social responsibility initiatives for the benefit of nearby communities in all our locations.

On behalf of the board of directors of Rane Holdings , I thank our stakeholders – Customers, Employees, Partners, Vendors, Investors, Bankers, Governments and Communities – and remain committed and sincere in our efforts to keep delivering ever better value in the years ahead.

Yours Sincerely,  
**L Ganesh**  
Chairman & Managing Director

Your Company is no stranger to challenges and uncertainties. The decisions and actions taken in the past to achieve Vision 2020 are showing growth and throwing up new opportunities.



# Session with the Vice Chairman

Harish Lakshman takes over as the new Vice Chairman of Rane Holdings Limited. He continues to guide and advise the Company on business and policy matters along with the Chairman.

## On performance of the Indian Automobile Sector in the FY17

The growth in the auto segment has been as per expectation given the robust GDP expansion. The Indian auto sector posted a growth of 6% in FY17, as against a sober 2% in FY16. The growth has been led by the Passenger Vehicles (PV) and the two-wheelers segments with the PV segment continuing its 3rd year of sustained growth. The segment posted 9% growth for FY17, outpacing its last year's number of 6%. While there was clear consumer bullishness for the PV and two-wheelers segments, the country did not witness similar sentiments for the overall Commercial Vehicle segment which grew at a slower pace of 3% as against the previous year when the segment had raced ahead with a double digit growth of 12%.

## On performance of the Indian Automotive Component Sector during FY17

The growth of the auto component industry works in tandem with the auto industry. According to the Automotive Components Manufacturers Association of India (ACMA), the

growth rate for the segment is expected to be in the range of 10%. In the previous fiscal, the industry posted a total revenue of \$39 billion and is expected to clock \$43-45 billion for FY17.

## On Rane's performance in FY17

It was a very good year for Rane Group. In FY17, our Group aggregate revenue grew by 24% to touch ₹ 4,032 Crore, as compared to ₹ 3,261 Crore in FY16. Our EBITDA & PBT stood at ₹ 456.1 Crore and ₹ 227.9 Crore growing by 38% & 71% respectively. Continued focus on reducing cost and improving manufacturing efficiencies helped to improve EBITDA margins by 120 bps to 11.3%. We have set in motion a strategy to increase revenues from our international business and this strategy has paid rich dividends as revenues from international customers grew 59% y-o-y as the fiscal saw the full year impact of overseas acquisition by Rane (Madras) Limited.

## On the importance of R&D for the Company

R&D is one of key pillars for the Company and this can be seen by the steady ramp up of investment in this area. About three years ago, we invested about 0.8% of revenues, which has significantly moved to 1.7% currently. It is still lower as compared to the investments made by global auto component majors. Nevertheless, we will continue to invest in various technologies.

### On Company's outlook for FY18

According to ACMA, the auto component market in India is expected to cross the \$50 billion mark by end of FY18. We remain positive about the business environment for Indian Auto sector with fast-growing economy, rising per capita income, easy access to finance, low penetration of cars and a major thrust on Infrastructure. The group companies have plans to enhance its capacity and manufacturing capabilities to align with customer requirements. The constant focus on enhancing product development capability is supporting in securing and expanding our business with international customers.

According to ACMA, the auto component market in India is expected to cross the \$50 billion mark by end of FY18. We remain bullish on India and see the country bringing in legislations to ensure that we adhere to standards like those followed in the development markets



## Board of Directors Profile



**Mr. L Lakshman**

Chairman Emeritus

Mr. L Lakshman is currently the Chairman Emeritus of Rane Holdings Limited (RHL), the apex company US\$ 500 million Rane Group. He is a Mechanical Engineer and an alumnus of London Business School, UK. He joined one of the Group Companies as a Management Trainee in 1970 and eventually spearheaded as Chairman of the Group in 1992. Under his leadership, the Rane Group won the coveted Deming Prize, Deming Grand Prize and Japan Quality Medal. After being at the helm of its leadership for nearly two and a half decades, he retired as Executive Chairman of RHL on March 31, 2017. He continues on the Board of RHL on a Non-Executive capacity providing guidance and mentorship.

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



**Mr. L Ganesh**

Chairman & Managing Director

Mr. L Ganesh is the Chairman of the Rane Group, one of the acknowledged leaders in the auto component industry with over 40 years of industrial experience. He has successfully led the Rane Group during the economic slowdown, by strengthening management and leadership capabilities. He is a Chartered Accountant and an MBA from the Pennsylvania State University, USA. Beginning his career as a Management Trainee in Rane Engine Valves Limited (REVL) in 1979, he progressively handled various responsibilities as Vice Chairman and Managing Director, Vice Chairman of the Group and Chairman.

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



**Mr. Harish Lakshman**

Vice-Chairman

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

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



### Mr. Anjanikumar Choudhari

Independent Director

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



### Mr. Shujaat Khan

Independent Director

Mr. Shujaat Khan serves as an Independent Director of Rane Holdings Limited since October 29, 2007. He has a B.A., magna cum laude, from University of Rochester and an M.B.A. from Harvard University Graduate School of Business Administration, U.S.A. Prior to co-founding Blue River Capital, he was a Managing Director and Investment Committee Member at ChrysCapital I, LLC and ChrysCapital II, LLC, together comprising India's largest independent private equity firm. He has recently joined Centrum Capital as Managing Director of the Asset Management business.



### Dr. (Ms.) Sheela Bhide

Independent Director

Dr. (Ms.) Sheela Bhide holds a doctorate in international trade from the Institute of International Studies, Geneva, a Master's degree in economics from George Mason University, United States of America and a master's in Public Administration from John F. Kennedy School of Government, Harvard University, United States of America. She also holds a Masters' degree in Business Administration (MBA) with a specialisation in financial management, from Indira Gandhi National Open University. She is presently the Senior Adviser to the EU-funded project on "Sustainable Development of Foundry Clusters in India" being implemented by Foundation for MSME Clusters, Delhi.

She belongs to the 1973 batch of the Indian Administrative Service (IAS) and has handled several prominent positions in her 40 year-long career including Ministry of Commerce of Industry, Government of India as Chairman and Managing Director, India Trade Promotion Organisation; various Ministries in Government of India viz., Ministry of Defence, Government of India (Additional Secretary and Financial Advisor Acquisition); Ministry of Corporate Affairs (Joint Secretary) and Government of Andhra Pradesh (Secretary Finance & Secretary Industry and Commerce). She is also an Independent Director on the board of L&T Metro Rail (Hyderabad) Ltd., Suryodaya Small Finance Bank Ltd., Gati-Kintetsu Express Private Ltd. and Gati Ltd.



### Dr. V Sumantran

Independent Director

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

Dr. V Sumantran has over 30 years of experience and has served on the Science Advisory Council of the Prime Minister of India and Scientific Advisory Committee to the Cabinet of the Indian Government. He was also member of the National Manufacturing Competitiveness Council and served as Chairman, National Defence Council of the Confederation of Indian Industry until 2013.

# Corporate Information

## Board Committees

### Audit Committee

Mr. Anjanikumar Choudhari, Chairman  
Mr. L Ganesh  
Mr. Shujaat Khan  
Dr. V Sumantran

### Stakeholders' Relationship Committee

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

### Nomination & Remuneration Committee

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

### Corporate Social Responsibility Committee

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

### President- Corporate Services

Mr. R Venkatanarayanan

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

Mr. Siva Chandrasekaran

### Executive Vice President - Business Development

Mr. Chandran Krishnan

### Vice President - Finance & CFO

Mr. 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', 7<sup>th</sup> Floor, Old No. 37; New No. 52  
Venkatanarayana Road, T Nagar, Chennai - 600017.

### Secretarial Auditor

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

### Bankers

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

### Registered Office

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

### Registrar and Share Transfer Agents

Integrated Registry Management Services Private 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: [corpserve@integratedindia.in](mailto:corpserve@integratedindia.in)



# Community Development Initiatives

## CSR Vision

'To be a socially and environmentally responsible corporate citizen'

## CSR Thrust Areas

### Education

- 224 youth from the rural areas completed diploma program through the Rane Polytechnic
- Support to Vembakkam branch of Eureka School, which aims at offering quality education for the rural children

### Healthcare

- Support the physically challenged people in and around Trichy through the Spastics Society
- Mobility aids distributed to 130 beneficiaries in partnership with Freedom Trust

### Community Development

- Extended support to the Ganapathy Iyer Girls' High School, which accommodates girls mainly from lower economic strata, to restore the infrastructure damages due to the Chennai flooding

### Environment

- Provided support to environmental sustainability projects through green cover and anti-plastic awareness campaigns
- Conducted sapling plantation drives near plant locations
- Awareness program to school children on sanitation and hygienic practices to avoid communicable diseases



# Management Discussion & Analysis

## Economy and Industry

2016 was a difficult year for global economy marked by stagnant global trade, subdued investment and heightened policy uncertainty. According to International Monetary Fund (IMF) estimates, the global economy grew by 3.1% in 2016 compared to the growth of 3.2% in 2015. The world saw various significant political events such as US Presidential elections and Brexit in 2016, which are likely to have ramifications in the policy outlook for 2017. Despite worries of protectionism, IMF forecasts a better growth rate of 3.5% for 2017 supported by pickup in commodity prices and signs of increased spending.

Indian economy continues to fare well in the global context. Estimates from the Central Statistics Office (CSO) suggest that the Indian economy grew by 7.1% in FY17 as compared to 7.6% in FY16. The growth was partially affected by the Government's Demonetisation drive that led to a drop in the business activity through the course of quarter third and fourth of the fiscal. The effects of the same were transitory and the country recouped faster than expected. The Indian economy is on healthy mode supported by critical structural reforms, and increased spending with fiscal discipline. As per Finance Ministry estimates, the Indian economy is poised to grow at 7.5% in FY18. This is likely to be bolstered with implementation of GST.



## Indian Automobile Industry

The Indian automotive industry had an eventful year on various counts. First, on a production basis, we saw positive growth across the segments primarily led by significant demand for utility vehicles and new model launches. Second, the Government's demonetisation decision resulted in transitory disruption of normalcy in the business for the commercial vehicles and two-wheelers and lastly, the favourable monsoons coupled with agriculture based reforms encouraged the demand for the farm tractors which demonstrated a negative production growth in the previous financial year.

From a segment perspective, the passenger vehicle segment reported healthy production growth as the traction continues for new launches coupled with the consumer's gradual shift towards the utility vehicles. The Commercial Vehicle segment reported a modest performance given weak demand from core sectors such as mining and infrastructure and the overhang around the transition towards the BS-IV emission norms. The farm tractor segment recovered from the cyclical weakness in light of improved agricultural activity while the three wheeler segment experienced de-growth as the OEMs registered decline in exports due to shortage of currency in their target markets. Lastly, the two-wheeler segment reported a higher production growth on account of reasonable demand for the automatic scooters and bikes.



Industry Segment (Production figures)	Growth in % (YoY change)	
Vehicles	2016-17	2015-16
Passenger Cars	5.4%	4.0%
Utility Vehicles	26.3%	13.7%
Vans	(0.6)%	5.6%
<b>Passenger Vehicles</b>	<b>9%</b>	<b>6%</b>
Medium & Heavy Commercial Vehicles	0.4%	27.0%
Light Commercial Vehicles	6.0%	9.6%
Small Commercial Vehicles	2.7%	(10.3)%
<b>Commercial Vehicles</b>	<b>3%</b>	<b>12%</b>
3-Wheelers	(16.2)%	(1.6)%
2-Wheelers	5.8%	1.8%
Farm Tractors	21.1%	(6.8)%

Source: Society of Indian Automobile Manufacturers

The business climate for the auto industry remains favourable as we expect the sector to build upon its momentum on the encouraging demand from the end market.

### Indian auto component industry

The auto component space in India has experienced a satisfying growth over the last year primarily attributable to a robust end-user demand, improved market sentiment, and supportive liquidity environment. The Company expects that the sector could further register a growth of 8-10% primarily driven by higher localisation by OEMs, more component content per vehicle and expanding exports from India.



## Rane Holdings Limited (RHL)

Rane Holdings Limited (RHL) is the holding company of Rane Group. RHL owns the trademark in Rane and provides a wide range of services to Group Companies. These include employee training and development, investor services, business development and information system support.

### Operational Highlights

- The group companies continue to pursue the initiatives towards achieving the Vision 2020
- Across the Companies, initiatives focussed on achieving business excellence commenced
- The group companies were honoured with multiple awards from top OEMs including Mahindra & Mahindra, Tata Motors, etc.
- Various steps were taken for cost rationalization, such as localization, value engineering, yield improvement projects and other strategic saving initiatives
- Divested stake in SasMos HET Technologies Ltd.

### Standalone Financial Highlights

- Total Revenue was ₹ 98.80 Crores for FY17 as compared to ₹ 75.85 Crores in FY16, an increase of 30%
- EBITDA stood at ₹ 67 Crores as compared to ₹ 46.29 Crores during FY16, an increase of 45%
- Net profit (PAT) stood at ₹ 49.86 Crores for FY17 as compared to ₹ 35.65 Crores in FY16

### Consolidated Financial Highlights

- Total Revenue was ₹ 3,029.34 Crores for FY17 as compared to ₹ 2,431.30 Crores in the FY16, an increase of 25%
- EBITDA stood at ₹ 367.89 Crores as compared to ₹ 254.71 Crores during FY16, an increase of 44%
- Net profit (PAT) stood at ₹ 136.82 Crores for FY17 as compared to ₹ 65.54 Crores in FY16

### Outlook

With the objective of delivering profitable growth, the Company continues to progress on its recalibrated 2020 vision under the theme of "Dream, Design and Deliver".

- Accelerate growth through new product introductions – The group sales growth for FY17 stood at 24%
- "Going global" – With the aim to drive international share of business to 25%, in FY17, the international business contributed to 21% of revenues

- Auto business – Continue to look at opportunities to grow the automotive business through M&A in both India and overseas. These are envisaged to also leverage on the mega trends such as Electrification, Connectivity and Autonomous Driving
- “Non-Auto” business – Continue to look at opportunities in the Aerospace & Defence sector
- Efficient capital management – Rane Group of companies are constantly evaluating methods to improve process efficiencies, reduce cost, build scale in existing markets and manage talent. Coupled with these initiatives, the group is prioritising products with higher ROCE and optimising capex. This has helped to improve ROCE across group companies

## Rane (Madras) Limited (RML)

Rane (Madras) Limited (RML) has two divisions namely Steering gear (SGP), Steering and Suspension Linkage Products (SSLP) division and Die-casting Products division. The Steering division manufactures manual steering gears, hydrostatic steering systems and steering and suspension linkage products. RML holds 39% and 72% market share in India in SGP and SSLP. The Die casting division manufactures low porosity, high-quality aluminium die-castings such as steering housings, engine case covers. RML acquired US-based Precision Die Casting Inc., in 2016 and renamed it as Rane Precision Die Casting Inc. (RPDC). RPDC supplies complex, thin-walled, low porosity, cast and machined aluminum die castings to automotive industry from its manufacturing facility at Russellville, Kentucky, US.

### Manufacturing Location

Location	Products
Varanavasi (Chennai)	SSLP, SGP
Mysore	SSLP, SGP & Hydraulic Products
Puducherry	SSLP, SGP
Uttarakhand	SSLP, SGP
Hyderabad	Die casting Products
Russellville, Kentucky (US)	Die casting Products

### Operational Highlights

- RML commenced production of Rack & Pinion gear manufacturing in the Varanavasi plant which was previously carried out only in the Puducherry plant. This action resulted in additional capacity and mitigated product concentration risk at Puducherry plant.
- Launched multiple new products including gears for Volkswagen, Maruti Suzuki in India and to Nexteer and BRP in the overseas segment
- Steady progress towards new initiatives in hydraulic business as Company made significant progress with new customers and consolidated the current market share

- The constant focus on enhancing product development capability resulted in acquiring export businesses with customers such as Daimler, Volvo amongst others
- RML's newly commissioned Die casting plant in Hyderabad has ramped up production volumes and has ensued continuous traction in the Die casting business. However, the benefits neutralised as the new facility experienced delivery and high rejections issues in the new program launches

### Rane Precision Die Casting (RPDC)

- Significant progress towards the turnaround of our facility at Kentucky, US
- Implemented a “Get Well” plan to stabilise and improve operations.
- Refinanced the loans from its Existing Bankers through Export-Import Bank of India
- Entered into a new contract with the Union for three years
- Notable Improvement in Customer satisfaction levels and resultant visibility of new opportunities

### Key Business Accolades



The Company continued its emphasis on the ‘Business Excellence’ led by the existing TQM practices. The customers appreciated the efforts in improving processes and delivering value, and the Company won the following awards:

- Mahindra & Mahindra – Special Appreciation award for Yuvo project
- TAFE – Spare Parts Business Growth Award
- TAFE – Kaizen award for Painting quality

- Tata Motors Limited – Best support for New Part Introduction and VOR parts award

## Financial Highlights

### Standalone Financial Highlights

- Net Sales was ₹ 965.91 Crores for FY17 as compared to ₹ 829.37 Crores in the FY16, an increase of 16%
  - 1) 14% growth in the Domestic market
    - A) Steering gear products registered a good growth of 18% driven primarily by the new programs for passenger cars and additional volumes in the existing programs
    - B) Subdued performance in the Farm Tractors segment mainly due to superior growth in unserved markets (power steering)
    - C) Indian Aftermarket business was impacted by demonetization
  - 2) 27% growth in the Exports market – Commencement of new businesses for Steering and Die-cast components led the growth from international customers
- EBITDA stood at ₹ 97.37 Crores as compared to ₹ 79.69 Crores during FY16, an increase of 22%
- Net profit (PAT) stood at ₹ 18.96 Crores for FY17 as compared to ₹ 14.09 Crores in FY16, an increase of 35%

### Consolidated Financial Highlights

- Net Sales was ₹ 1,170.81 Crores for FY17 as compared to ₹ 856.79 Crores in the FY16, an increase of 37%
- EBITDA stood at ₹ 100.46 Crores as compared to ₹ 80.09 Crores during FY16, an increase of 25%
- EBITDA Margin at 8.2% for FY17 as against 9.0% in FY16
- Net profit (PAT) stood at ₹ 4.96 Crores for FY17 as compared to ₹ 12.67 Crores in FY16.

## Outlook

Given the backdrop of a fast-growing economy, rising per capita income, easy access to finance, low penetration of cars and a major thrust on infrastructure, the Company foresees a positive business environment for the auto industry going forward. These factors apart, the industry also awaits the implementation of Goods and Services Tax (GST), which, in the long term, is anticipated to be broadly encouraging phenomena for the sector as a whole.

Rane (Madras) Limited remains confident of its strategy and business environment. It expects to leverage on new ventures signed with customers in Passenger car segment and Hydraulics while maintaining a steady focus



on new opportunities across the after markets and exports. It will continue to pursue new initiatives for expanding its die-casting portfolio in Europe, add new customers to the steering business and emphasise on adding new products to the after markets portfolio.

## Rane Engine Valve Limited (REVL)

REVL manufactures engine valves, valve guides and tappets for various IC engine applications. REVL is the market leader in Indian OEM and replacement markets. The Company caters to all segments of automobile industries such as PV, CV, Tractors, 2W, 3W, stationary engines, railways and marine engines.

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

### Operational Highlights

- Secured new orders with a business potential worth ₹ 39 Crores in Domestic/OEM business
- Invested in upgrading the R&D setup to enhance product development capability in meeting customer requirements
- Continued operational initiatives led to improvement in capacity utilisation by 7% over previous fiscal
- Various initiatives on cost control, productivity improvements helped to improve EBITDA margin by 4.7%

- Generated six new business opportunities through pre-design review engagement, a new initiative started for active connect with major customers towards building technologies and aide emerging demands
- Launched four new technology initiatives that support customers transition to superior emission norms and better fuel efficiency
- Introduced two new raw materials to enhance cost competitiveness and strengthen material development for the future commercial introduction
- All Plants qualified for ISO/TS 16949: 2009, ISO 9001: 2008, ISO 14001:2004 accreditations

### Key Business Accolades

- **REVL was conferred with following accreditations and awards:**
  - National QCFI- Par Excellence Award
  - Tata Motors Limited- Best Supplier – 2016 – Quality
  - Cummins India Limited – “Category Partner” Award
  - Mahindra and Mahindra – Valuable contribution towards building “Technology Advanced Mahindra YUV0”
  - Mahindra and Mahindra – Valuable contribution towards building “The Young SUV KUV 100”
  - John Deere Limited – Certificate of Appreciation (Good Quality rating)

### Financial Highlights

- Net Sales was ₹ 354.23 Crores for FY17 as compared to ₹ 342.44 Crores in the FY16, an increase of 3%
- ♦ Domestic OEM sales grew by 2% mainly due to increased share of business with key domestic customers in passenger vehicles.



- Export sales grew by 2% on account of ramp up in business share with key international customer.
- Aftermarket sales were affected due to lower demand conditions
- Strong demand from Defence segment customer
- EBITDA stood at ₹ 23.78 Crores as compared to ₹ 6.61 Crores during FY16, an increase of 260%
- Net profit (PAT) including exceptional income stood at ₹ 57.06 Crores for FY17 as compared to loss of ₹ 12.54 Crores in FY16

### Outlook

Fiscal 2017 was a mixed year for the industry largely on account of the main macroeconomic factors such as demonetization and the Supreme Court's decision on emissions. For REVL, the year was eventful as the Company improved itself on multiple counts and laid a strong foundation for the years to come. As it enters the new fiscal, the Company remains confident of its growth and the performance in the ongoing fiscal (FY18). The Company would continuously develop and leverage its R&D strengths to provide pro-active solutions for new generation vehicles. The Company has plans to enhance its capacity and manufacturing capabilities to align with customer requirements in automotive valves as well as the non-automotive large valves.

## Rane Brake Lining Limited (RBL)

RBL is a leading manufacturer of friction material products such as Brake linings, Disc pads, Clutch facings, Clutch buttons, Brake Shoes and Railway brake blocks. It is a market leader in India and global player in friction material. It has technical collaboration with Nisshinbo Brakes Inc., Japan for know-how in brake linings, disc pads & clutch facings. The Company's products have application in every segment of automobile industry such as PV, CV and 2W/3W.

### Manufacturing Location

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

- Significant improvement in RBL's business owing to the strong demand from the Indian OEMs predominantly in the passenger cars and commercial vehicles segments
- Successfully enhanced its contribution towards green initiatives by conducting energy saving initiatives such as installation of 2MW solar power unit in Tamil Nadu
- Continued cost reduction initiatives led to offset the inflationary overheads and costs

## Key Business Accolades

- Certified as 'Great Workplace' by Great place to work® Institute India
- Customers award - Certification of Performance in Friction Material category
- ACMA - HR Excellence award in "Large" Category
- National Safety Council - Certificate for best Health & Safety award
- CII - Award for Energy Excellence
- Awards on Quality and Productivity from CII, ACMA, QCFI and other reputed organisations



## Financial Highlights

- Net Sales was ₹ 486.75 Crores for FY17 as compared to ₹ 447.90 Crores in the FY16, an increase of 9%
  - ♦ OE sales registered a healthy growth of 16% mainly supported by strong demand from Passenger vehicles and Two-wheeler segment
  - ♦ Recorded 8% growth in the Indian aftermarket business led by new product launches, however partially affected by demonetization

- ♦ Significant drop in sales to the rail sector; 34% lower in FY17
- ♦ Lower offtake from international aftermarket customers resulted in 7% decline in the exports
- EBITDA stood at ₹ 77.32 Crores as compared to ₹ 57.65 Crores during FY16, an increase of 34%
- Net profit (PAT) stood at ₹ 34.72 Crores for FY17 as compared to ₹ 25.76 Crores in FY16

## Outlook

Given the overall positive environment for the new fiscal for Indian automotive sector, Rane Brake Lining intends to continue its robust performance and plans to drive its growth on some key strategic initiatives.

The Company would continue to enhance its R&D capability with the new global standard machine which enables it with advanced features of hydraulic and pneumatic brake system validation. This initiative apart, the Company will deploy resources to debottleneck current capacity and add new capabilities to support new and existing OEM customers and innovative, cost competitive new products in After markets. As the inflationary pressure on the overheads and material cost prevails, the Company would continue to emphasise on cost reduction initiatives.

## Rane TRW Steering Systems Private Limited (RTSS)

A joint venture between Rane Holdings Ltd. and TRW Automotive J.V., LLC, USA (TRW), RTSS is a leading manufacturer of fully integrated hydraulic steering gears, hydraulic pumps, power-rack and pinion gears, power steering fluid, safety seat belts, airbags and plastic reservoirs. RTSS' high focus on quality has made it a preferred supplier for OEMs across segments including commercial vehicles, passenger cars, etc.

## Manufacturing Location

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

## Operations Highlights

- Business partially affected by tepid growth in commercial sector and after effects of demonetization

- PR&P steering market faced continued challenges due to change over to EPS and the outlook remains subdued for its further growth
- Successfully commenced supply of seatbelts to HKMC, South Korea and also acquired airbags order from the same
- Commissioned two 1.19 MW solar projects at Aruppukottai with a generation capacity of 40 lakh units per annum
- Incurred major losses due to fire accident in Viralimalai plant and Vardah cyclone in Guduvanchery and Singaperumal Kovil plants
- Substantial reduction in cost due to localization of key raw materials



### Financial Highlights

- Net Sales was ₹ 856.67 Crores for FY17 as compared to ₹ 706.83 Crores in FY16, an increase of 21%
- EBITDA stood at ₹ 104.41 Crores as compared to ₹ 83.65 Crores during FY16, an increase of 25%
- Net profit (PAT) stood at ₹ 47.77 Crores for FY17 as compared to ₹ 35.89 Crores in FY16

### Outlook

In the steering gear division, the Company remains cautious of the performance as the overhang due to BS IV and GST continues to stay. However, the Company is positive that it will continue to acquire new businesses in SCV/LCV/FT segment for HPS gears.

In the Occupant Safety Division, the Company expects increased application of airbags in the passenger vehicle models in India to support growth in the Indian market while continuing to expand its business in the exports market

## Rane NSK Steering Systems Private Limited (RNSS)

A joint venture with NSK Ltd., Japan, RNSS manufactures electric power steering (EPS) and manual steering column (MSC) for passenger vehicles and commercial vehicles.

### Manufacturing Location

Location	Products
Guduvanchery (Chennai)	Manual Steering Columns & I Shafts
Bawal (Haryana)	Electric Power Steering
Pantnagar (Uttarakhand)	Manual Steering Columns & Shafts

### Operational Highlights

- Invested ₹ 75 Crores to augment capacity and debottlenecking to meet the increased demand for EPS
- Muted growth in MSC business given the subdued demand in M&HCV segment and lower customer off-take on supported models.
- Invested ₹ 2.5 Crores to initiate capacity enhancement program in Pantnagar to make models of Maruti, Ashok Leyland, Volvo and Eicher, thereby augmenting capacities and enable risk mitigation for any unforeseen calamity.
- Improvement in productivity levels by 6%, on the backdrop of highly fluctuating volumes in the CV segment.
- Lower incidents of customer concerns as a result of our ongoing focus on Product Quality and Safety

### Financial Highlights

- Net Sales was ₹ 1,000.09 Crores for FY17 as compared to ₹ 766.41 Crores in FY16, an increase of 30%
- EBITDA stood at ₹ 135.04 Crores as compared to ₹ 91.30 Crores during FY16, an increase of 48%
- Net profit (PAT) stood at ₹ 60.78 Crores for FY17 as compared to ₹ 39.63 Crores in FY16

### Outlook

Given the market environment, the Company remains confident in its businesses, however, remains tied to the overall progress in the automotive industry. While entering the new fiscal, the Company continues to focus on strengthening the new product development and quality management processes for new EPS business secured. The Company is also planning to enhance its application engineering capability for EPS columns towards customer's local engineering support requirements.

In the MSC business, the Company is focusing on improving presence in Commercial Vehicles mainly resourcing business from CV Manufacturers by offering technological solutions to customers. The Company is also actively engaged in improving supply chain efficiency and on cost reduction initiatives for enhanced competitiveness

## JMA Rane Marketing Limited (JMA Rane)

JMA Rane Marketing Limited (JMA Rane) is a joint venture company between RHL and Jullundur Motor Agency Company Ltd. for dealing with automobile components in the after-market. JMA Rane has wider dealer network all over the country. The financial highlights of JMA Rane for 2016-17 are as follows:

- Net Sales was ₹ 66.79 Crores for FY17 as compared to ₹ 60.91 Crores in the FY16, an increase of 10%
- EBITDA stood at ₹ 2.96 Crores as compared to ₹ 2.59 Crores during FY16, an increase of 14%
- Net profit (PAT) stood at ₹ 1.71 Crores for FY17 as compared to ₹ 1.53 Crores in FY16

## Human Resources

In the year 2016-17, the Company had extensively focused on leadership development, revamping the performance management system, employee engagement and leveraging technology.

With a view to enhancing the manufacturing capability, a comprehensive long term Initiative christened as Rane Manufacturing Systems Professional (RMSP) is being rolled out. RMSP comprising of modules on manufacturing processes and systems will be delivered at the plants with high focus on Gemba learning.

One of the major initiatives was the launch of the next version of Performance Assessment & Development System (PADS 6.0) which lays emphasis on both performance assessment and potential appreciation. The refreshed leadership competencies, the structured individual development plan, the suite of resources and tools provided as part of the application are the hallmarks of refreshed PADS.

As part of the continuing executive education initiatives, the Company encourages promising talents to pursue higher education in both technical and management disciplines. The Company has tied up with various institutions on a pan India basis. As on date 3 employees are pursuing various programs under this scheme.

The Company continues to strengthen its leadership bandwidth in line with the growth aspirations. For the High Potential Leadership Development (HPLD) group, the Company had rolled out the TOP GEAR (Transforming Organization & Profitability through Growth, Engagement, Actions and

Results) program. 2 participants attended this 6 day program covering the themes of Business Focus, Customer Centricity, Self-leadership, Execution Excellence and Leading people. TOP GEAR was designed and delivered in partnership with one of the reputed B-Schools. For the Executive Leadership Development group, the interventions were need specific, such as coaching engagements and nominations to general management programs to provide them global perspectives on evolving business models, strategy and execution.

The Company has introduced automated workflows and mobile applications for various aspects of employees' benefits administration such as time & attendance management, reimbursements and such other processes.

## Corporate Social Responsibility

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

In the year 2016-17, the Company has implemented several projects primarily focusing on Education followed by Healthcare.

### Education

The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its seventh academic year. During the year, the institution has been accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program which is a reflection of its operational standards and quality of teaching



learning processes. Over the last three years, 465 students have completed their diploma program. In the current year, 224 students completed their diploma program. The institution endeavours to offer quality technical education to the rural youth.

The Company extended its support to one of the Eureka Schools in Vembakkam; an initiative by AID India. The Company provided for the annual salary cost of staff members. Founded in the year 2005-06, Eureka Schools aims at offering quality education for the rural children. The children of Eureka schools are from a poor socioeconomic background, where both parents are predominantly daily wage labourers. In most cases, these children are first generation learners.

## Healthcare

In the healthcare space, the Company extended support to physically challenged people in and around Trichy through the Spastics Society. The Company partnered with Freedom Trust, a charitable trust that is specialized in conducting disability assessment camps and recommending mobility aids to the people in need. With the help of qualified Doctors and paramedical staff the disability assessment camp was conducted and mobility aids were distributed to 130 beneficiaries as part of this project.

The Company also supported the Jeevan Blood Bank and Research Centre; India's pioneer Blood Bank since 1995. Jeevan is located in Chennai, and acts as a not-for-profit organization. In 2007, Jeevan started a public cord bank to create an inventory of stem cells from donated cord blood that will enable quick and affordable access to life saving treatment, for Indians with blood cancers and Thalassemia. The Company supported in processing and storing 10 stem cells from cord blood donations which will be made available for needy patients subject to matching.



## Disaster relief

Ganapathyler Girls' High School is a Government Aided School run by the Gopalapuram Educational Society. The school had a humble beginning in 1924 as an elementary school in Gopalapuram, Chennai. With time it was upgraded as a middle school in 1942 and high school in 1948.

With the principle of "Educating a girl child is educating the entire family", the school accommodates girl children mainly from lower economic strata.

The Company extended support to the school, as part of its disaster relief initiatives to restore the infrastructure damages due to natural calamities occurred in Chennai.

## Information Technology

Rane's centralized IT set up, Rane Data Centre, (RDC) continues to cater to IT Infrastructure, application development and support across group companies.

Tax procedure migration from TaxINJ to TaxINN has been completed in the ERP platform and is GST ready. One of the major initiatives was the successful roll out of SAP at Rane Precision Diecasting Inc., USA. The project was handled in-house end to end.

RDC's continued engagement with group companies led to identifying and implementing various projects in the operational areas that enhanced efficiency levels on key processes.

In keeping pace with the evolving technology landscape, initiatives such as workflow and mobility solutions have been implemented to facilitate seamless collaboration with suppliers, employees and customers. The e-Procurement solution implemented for improving the procurement efficiency that also resulted in considerable cost savings.

To address the increasing cyber security threats and vulnerabilities ISMS framework have been strengthened and extended to group companies.

## Internal Controls

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

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

The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures the robustness of internal control systems and compliance with laws and regulations, including resource utilization and system efficacy.

## Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and its impact on business.

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

## Opportunity and Threat

Given the positive sentiments about the Indian economy, rising per capita income, major thrust to infrastructure projects, stable economic and political environment augurs well for further possible growth in Automobile industry. Given its strong brand equity, built over the years, the Company will certainly benefit from potential demand from its key segments. A



stronger legislation and rising awareness about safety in cars will benefit the Company's prospect in the Occupant Safety segment.

However, the threats of economic downturn or slowdown in the key markets can lead to decreased volumes and capacity utilisation. The Company can be affected by volatility of commodity prices affecting the input cost structure which can have a direct bearing on margins. Other factors, which can affect the Company, include any sharp contraction in automobile sales, increased competitive pressure, etc.

## Cautionary Statement

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

# Report of the Board of Directors

Your directors take the pleasure in presenting the **Eighty First Annual Report** together with the accounts for the year ended 31 March, 2017.

## 1. Financial Performance

Your Company's investment profile is as given below:-

Sl. No.	Name of investee company	Products/Services	Ownership of your Company
<b>Subsidiary companies</b>			
1	Rane (Madras) Ltd.	Steering gear products, steering and suspension linkages, Diecasting products. Other article of aluminium.	56.30%
	a) Rane (Madras) International Holdings B.V., The Netherlands - (RMIH)	Hold strategic overseas investments	100.00%
	(i) Rane Precision Die Casting Inc., (RPDC)	High pressure aluminium die casting for automotive applications	100.00%
2	Rane Engine Valve Ltd.	Engine valves, valve guides and tappets	51.10%
3	Rane Brake Lining Ltd.	Brake linings, disc pads, clutch facings and clutch buttons	46.10%
4	Rane Holdings America Inc., USA	Providing business development services in North American region for Rane Group Companies	100.00%
5	Rane Holding Europe GmbH, Germany (being renamed from Mainsee 1038, VV GmbH)	Providing business development and other related support services for Rane Group companies in the European countries	100.00%
<b>Joint Venture Companies</b>			
6	Rane TRW Steering Systems Private Ltd.	Hydraulic steering gear, Hydraulic pumps, Seat belt and Air Bags	50.00%
7	Rane NSK Steering Systems Private Ltd.	Manual steering columns and electric power steering	49.00%
8	JMA Rane Marketing Ltd.	Automotive component trading with Pan India dealer network	48.97%

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

During the year under review the Company had divested the entire equity shareholding of 45.2% in SasMos HET Technologies Limited (SasMos) considering various factors with a view to streamline and consolidate investments in the automotive, aerospace and defence sectors in alignment with the vision of Rane group.

The Company established a Wholly Owned Subsidiary (WOS) in Germany during March, 2017, to provide business development and other related support services for Rane group companies in the European region through acquisition of 100% equity shares of a newly incorporated company Mainsee 1038. V V GmbH. This WOS is being renamed as Rane Holdings Europe GmbH.

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

(₹ Crores)

Particulars	2016-17	2015-16
Income	98.80	75.85
Profit before tax	62.81	42.90
Provision for tax	12.95	7.25
Profit after tax	49.86	35.65
Surplus brought forward	17.18	12.88
Amount available for appropriation	61.26	32.72

Key Performance indicators, operational performance and balance sheet summary are furnished in Page No 10-11 of this annual report.

During the year, income of your Company had increased by 30.26% over that of the previous year. The earnings per share for the year 2016-17 increased to ₹ 34.92 as compared to that of last year ₹ 24.97.

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.

## 2. Appropriation

During the year 2016-17, the board of directors declared an interim dividend of 35% (i.e., ₹ 3.50 per equity share of ₹ 10/- each, fully paid-up) and the same was paid on February 27, 2017 to all the eligible shareholders whose name appeared in the registered of members of the Company as on February 21, 2017, being the Record Date fixed for this purpose. The board of directors of the Company at their meeting held on May 26, 2017 have considered and recommended a final dividend of 50% (i.e., ₹ 5/- per equity share of ₹ 10/- each, fully paid-up) for approval of the shareholders at the ensuing eighty-first Annual General Meeting (AGM) to be held on August 31, 2017.

The total dividend amount inclusive of distribution tax and surcharge thereon would be ₹ 8.59 Crores. The final dividend, if declared by the shareholders, will be paid on September 7, 2017 to all the eligible shareholders whose name appears in the register of members of the Company and records of depositories as on August 24, 2017, being the Record Date fixed for this purpose.

A sum of ₹ 61.26 Crores has been retained as surplus in the Profit and Loss Account.

## 3. Management Discussion & Analysis

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

## 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 share held in these companies.
- (c) **Associate company** – share in the profit after tax based on the percentage of share held has been consolidated.

The consolidated financial statements of the Company are prepared based on the audited financial statement of the subsidiary companies and joint-venture companies, for the year ended March 31, 2017. As regards the associate company, the financial statements for the period ended February 28, 2017, have been considered for the purpose of consolidation, since the Company had divested the entire shareholding, before the end of the financial year 2016-17.

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

During the year, Dr. (Mr.) V Sumantran was appointed by the members, as Independent Director effective May 27, 2016 till the conclusion of eighty-third AGM (2019).

During the year, Mr. L Lakshman, Executive Chairman of the Company relinquished his executive role in the Company after being at the helm for over 25 years. Mr. Anil Kumar Nehru, Independent Director retired on attaining the age of 75 years as per the retirement policy of the Company, effective conclusion of board meeting held on May 27, 2016.

The board of directors at its meeting held on March 31, 2017 placed on record the immense contribution made by Mr. L Lakshman in the transformation of Rane Group under his leadership and requested him to continue as a non-executive director. Further, the Nomination and Remuneration Committee (NRC), recognizing his contribution towards development of the Company and the Rane group and his vast expertise, experience and knowledge of the industry especially on areas like Business Strategies, Human Resource, Total Quality Management, Information Technology, etc., recommended to the board it would be in the long term interest of the Company and the Rane group, if, Mr. L Lakshman continues to guide the Company.

Taking into consideration the request of the board, Mr. L Lakshman consented to continue on the board in a non-executive capacity, providing guidance and mentorship to the executive management, advisory support in initiatives of strategic importance to the Group's future growth plans of entering new business areas in India as well as plans for expansion in overseas markets.

Based on the recommendations of the Nomination and Remuneration Committee, the board unanimously approved the continuation of Mr. L Lakshman as Non-Executive Director and designated him as 'Chairman Emeritus' of the Company for a period of four years with effect from April 1, 2017 on such terms and conditions subsequently approved by the shareholders.

In recognition of the value of guidance and mentorship of Chairman Emeritus, the shareholders of the Company have approved vide postal ballot that Mr. L Lakshman be paid a commission up to 2% of the profits of the Company, subject to a ceiling of ₹ 1 Crore per annum, effective April 1, 2017. The shareholders have also approved that Mr. L Lakshman be paid advisory fees upto a sum of ₹ 1 Crore per annum, for advisory services rendered by him towards initiatives in areas of importance and unique to the growth and development of the Rane group. Given his professional capacity, qualification, experience and insight in the automotive industry, the remuneration is in line with the present industry practices and standards.

The board of directors at their meeting held on March 31, 2017 appointed Mr. L Ganesh as Managing Director in the designation of 'Chairman' for a period of three years with effect from April 1, 2017. The shareholders have approved his appointment and terms, including remuneration payable to him vide postal ballot.

Mr. Anjanikumar Choudhari (DIN: 00234208) and Mr. Shujaat Khan (DIN: 00526891) were appointed as Independent Directors by the shareholders at the 78<sup>th</sup> AGM held on August 12, 2014, for a period of three years, to hold office upto the conclusion of the ensuing 81<sup>st</sup> AGM.

Mr. Shujaat Khan has expressed his intention not to seek re-appointment at the ensuing 81<sup>st</sup> AGM, due to his other professional commitments.

The Nomination and Remuneration Committee at its meeting held on May 26, 2017, have recommended the re-appointment of Mr. Anjanikumar Choudhari as an Independent Director, for a second term of three consecutive years viz., from the conclusion of the ensuing 81<sup>st</sup> AGM till the conclusion of 84<sup>th</sup> AGM or August 30, 2020, whichever is earlier. The notice convening the 81<sup>st</sup> AGM seeks approval of the members by way of special resolution for his re-appointment as an Independent Director for a second term.

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

## 5.2 Retirement by rotation

At the ensuing Annual General Meeting (AGM), Mr. L Lakshman (DIN: 00012554) 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 5 (five) 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, one separate meeting of Independent Directors was held. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the Board at the meeting and expressed that the current flow of information and contents were adequate for the Board to effectively perform its duties. They also reviewed the performance of the non-independent directors and the board as a whole and the performance of the chairperson of the Company taking into account the views of executive directors and non-executive directors.

## 6. Board and management

### 6.1 Board evaluation

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

The criteria for evaluation of board and its committees were founded on the structure, composition, board-management relationship, 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) were 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 were taken into consideration.

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

### 6.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarization programmes to independent directors are available at <http://ranegroup.com/rhlinvestors.html>

### 6.3 Key Managerial Personnel

Mr. L Ganesh, Chairman & Managing Director, Mr. Siva Chandrasekaran, Secretary and Mr. J Ananth, Chief Financial Officer hold the office of Key

Managerial Personnel under the Companies Act, 2013.

During the year, there was no change in the Key Managerial Personnel.

#### 6.4 Remuneration policy

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

### 7. Audit

#### 7.1 Audit Committee

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

#### 7.2 Statutory Auditors

M/s Deloitte Haskins and Sells (DHS) were re-appointed by the shareholders at the eightieth AGM (AGM 2016), as Statutory Auditors of the Company for a second term of five consecutive years to hold office until the conclusion of the eighty fifth AGM (AGM 2021). Their appointment is however, subject to ratification by members at every AGM in accordance with Section 139 of the Companies Act, 2013 read with applicable rules made thereunder.

The Company has received letter from DHS consenting for the appointment and confirmation to the effect that their appointment for the 2017-18, if ratified, would be within the limits and that they are free from any disqualification specified in Section 141 of the Companies Act, 2013 and the rules made thereunder. DHS have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The statutory auditors report to the members for the year ended March 31, 2017 does not contain any qualification, reservation, adverse remark or disclaimer.

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

#### 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 2016-17 is annexed herewith as 'Annexure –B'. 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 based on the information and explanations obtained by them, confirm that:

- i. in the preparation of the financial statements for the financial year 2016-17, the applicable accounting standards had been followed and there were no material departures;
- ii. they had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- iv. they had prepared the financial statements for the financial year on a 'going concern' basis;
- v. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively; and
- vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

### 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 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 policies on Related Party Transactions and Material Subsidiaries as approved by the Board is uploaded on the Company's website link (<http://ranegroup.com/pdf/policies/rhlrpt.pdf> and <http://www.ranegroup.com/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 2016-17 is annexed as 'Annexure C'. The CSR policy of the Company is available in the Company's website (<http://www.ranegroup.com/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, disclosure relating to technology absorption are not applicable to the Company.

The disclosure foreign exchange earnings and outgo, in terms of provisions of Section 134 (3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 are given hereunder:

##### Foreign Exchange earnings and outgo

	₹ in Lakhs	
Foreign Exchange	2016-17	2015-16
Earnings	4,350	Nil
Outgo	67	48

#### 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 'Annexure D' to this report.

#### 14. Corporate Governance Report

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

#### 15. Other disclosures

- Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- The details forming part of the extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith as 'Annexure F'.
- The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company.
- The 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  
May 26, 2017

**L Ganesh**  
**Chairman & Managing Director**

## Annexure A to the Report of the Board of Directors

# Policy on Appointment and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

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

### Criteria for Appointment

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

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

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

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

### Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed

to attract, motivate, and retain talented employees who drive the Company's success and it aims at aligning compensation to goals of the Company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

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

#### ● Non- Executive Directors

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

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

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

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

The remuneration structure of the executive directors, CEO or Manager, KMPs and SMPs are broadly divided into fixed and variable component, which ensures that relationship of remuneration and performance benchmarks is clear, there exists a balance between fixed and incentive pay and the same reflects short and long-term performance objectives appropriate to the working of the Company and its goals. The fixed compensation shall comprise of salary, allowances, perquisites, amenities and other components. The variable component of the remuneration is based on the performance of the individual in achieving superior operational results and to align employees with the organizational vision and growth strategies with a view to motivate them to achieve best results.

## Annexure B to the Report of the Board of Directors

### Secretarial Audit Report for the financial year ended March 31, 2017

#### Form No. MR-3

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

To the Members of

#### Rane Holdings Limited

[CIN: L35999TN1936PLC002202]

"Maithri" 132, Cathedral Road,  
Chennai - 600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE HOLDINGS LIMITED** (hereinafter called "the Company") during the financial year from **April 1, 2016 to March 31, 2017** ("the year" / "audit period" / "period under review").

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

#### We are issuing this report based on:

- (i) Our verification of the books, papers, minute books, statutory registers and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after March 31, 2017 but before the issue of this report;
- (ii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors/ Audit Committee; and
- (iii) The representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the **financial year ended on March 31, 2017**, to the extent, in the manner and subject to the reporting made hereinafter:

- (i) The Company has complied with the statutory provisions listed hereunder; and
- (ii) The Company also has Board processes and compliance mechanism in place.

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

#### 1. Compliance with specific statutory provisions

##### We report that:

- 1.1. We have examined the books, papers, minute books, statutory registers and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:
  - (i) The Companies Act, 2013 and the rules made thereunder (the Act).
  - (ii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
  - (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
  - (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Regulations):
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
    - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (v) The listing agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited (Agreements).
  - (vi) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investments and Foreign Direct Investment (FEMA).
  - (viii) The Secretarial Standards on "Meetings of the Board of Directors" (SS-1) and the Secretarial Standards on "General Meetings" (SS-2) issued by The Institute of Company Secretaries of India (Standards).
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2017 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
  - (i) **Complied with** the applicable provisions/ clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraphs 1.1 (i) to 1.1.(vii) above;

- (ii) **Complied with** the Secretarial Standards mentioned under paragraph 11.(viii) above to the extent applicable to Board meetings and General meetings.

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

- (i) The Company was not required to comply with the following acts/ rules/ regulations and consequently was not required either to maintain any books/ papers/ minute books/ statutory registers/ other records or to file any forms/ returns under:
- Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (ECB), since the Company has not availed any ECB;
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, since the Company has not bought back any securities;
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, since the Company has not issued any debt securities;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, since the Company has not delisted from any stock exchange; and
  - The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, since the Company has no stock option schemes.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business operations. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

## 2. Board processes:

### We further report that:

- 2.1 The Board of Directors of the Company is duly constituted with two Executive Directors, one Non-Executive Non-Independent Director and four Independent Directors (including a Woman director) as on March 31, 2017.
- 2.2 There was no change in the overall composition of the Board as mentioned above during the year. With effect from May 27, 2016, Mr. Anil Kumar Nehru ceased to be an Independent director consequent to his retirement and Dr. Venkataramani Sumantran was appointed as an Additional Director (in the category of Independent Director) by the Board in his place. At the annual general meeting held on August 11, 2016, Mr. Harish Lakshman, the retiring director, was re-appointed and the appointment of Dr. Venkataramani Sumantran as an Independent Director was approved.
- 2.3 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.4 Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent at least seven days

before the Board meetings except for the following:

- Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
- Additional subjects / information / presentations and supplementary notes.

Agenda/ notes in respect of the above items were either circulated separately before the meeting or circulated/ presented at the meeting. Consent of the Board for such circulation/ presentation was duly obtained at the concerned meetings, as required under SS-1.

- 2.2 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.3 We note from the minutes that, at the Board meetings held during the year:
- Majority decisions were carried through; and
  - No dissenting views were expressed by any Board member on any of the agenda items transacted, that were required to be recorded as part of the minutes.

## 3. Compliance mechanism

### We further report that:

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

## 4. Specific events/ actions

### We further report that:

- 4.1 During the audit period, the following specific events and actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and standards took place:
- Sasmos HET Technologies Limited ceased to be an Associate Company with effect from March 16, 2017 consequent to the sale of the 6,11,399 equity shares of ₹ 10 each held therein for a consideration of ₹ 43.50 Crores.
  - A Wholly Owned Subsidiary (WOS) was established in Germany with effect from March 21, 2017 through acquisition of 100% equity shares of Mainsee 1038. VV GmbH for Euro 25,000 and the WOS is in the process of changing its name to Rane Holdings Europe GmbH (WOS).

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

**K Sriram,**  
Partner

**Date:** May 26, 2017  
**Place:** Chennai

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

## Annexure – A to Secretarial Audit Report of even date

To,  
The Members  
**Rane Holdings Limited**  
[CIN: L35999TN1936PLC002202]  
“Maithri” 132, Cathedral Road,  
Chennai – 600086.

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2017 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations, guidelines, agreements and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2017 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**K Sriram,**  
Partner

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

**Date:** May 26, 2017  
**Place:** Chennai

# Annexure – C to the Report of the Board of Directors

## Annual Report on CSR activities (for financial year 2016-17)

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

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

#### Overview of projects implemented during 2016-17:

In the year 2016-17, the Company has implemented several projects primarily focusing on Education followed by Healthcare and Community Development.

#### ● Education

The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its seventh academic year. During the year, the institution has been accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program which is a reflection of its operational standards and quality of teaching learning processes. Over the last three years, 465 students have completed their diploma program. In the current year, 224 students completed their diploma program. The institution endeavours to offer quality technical education to the rural youth.

The company extended its support to one of the Eureka Schools in Vembakkam; an initiative by AID India. The company provided for the annual salary cost of staff members. Founded in the year 2005-06, Eureka Schools aims at offering quality education for the rural children. The children of Eureka schools are from a poor socioeconomic background, where both parents are predominantly daily wage labourers. In most cases, these children are first generation learners.

#### ● Healthcare

In the healthcare space, the Company extended support to physically challenged people in and around Trichy through the Spastics Society. The company partnered with Freedom Trust, a charitable trust that is specialized in conducting disability assessment camps and recommending mobility aids to the people in need. With the help of qualified Doctors and paramedical staff the disability assessment camp was conducted and mobility aids were distributed to 130 beneficiaries as part of this project.

The company also supported the Jeevan Blood Bank and Research Centre; India's pioneer Blood Bank since 1995. Jeevan is located in Chennai, and acts as a not-for-profit organization. In 2007, Jeevan started a public cord bank to create an inventory of stem cells from donated cord blood that will enable quick and affordable access to life saving treatment, for Indians with blood cancers and Thalassemia. The company supported in processing and storing 10 stem cells from cord blood donations which will be made available for needy patients subject to matching.

#### ● Community Development - Disaster relief

Ganapathy Iyer Girls' High School is a Government Aided School run by the Gopalapuram Educational Society. The school had a humble beginning in 1924 as an elementary school in Gopalapuram, Chennai. With time it was upgraded as a middle school in 1942 and high school in 1948.

With the principle of "Educating a girl child is educating the entire family", the school accommodates girl children mainly from lower economic strata.

The company extended support to the school, as part of its disaster relief initiatives to restore the infrastructure damages due to natural calamities occurred in Chennai.

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

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

The company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of RHL 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
Mr. L Lakshman Promoter / Chairman Emeritus (Non-Executive)*	Mr. R Venkatanarayanan President – Corporate Services
Mr. L Ganesh Promoter, / Chairman and Managing Director <sup>§</sup>	Mr. J Ananth General Manager – Finance
Mr. Anjanikumar Choudhari Non-Executive & Independent Director	

\* Upto March 31, 2017 – Managing Director & Executive Chairman

§ Upto March 31, 2017 – Vice Chairman & Joint Managing Director

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

₹ In Crores

Particulars	2013-14	2014-15	2015-16
Net profit for the year (PAT)	21.73	25.92	35.65
Adjusted Net profit (as per Section 198)	28.34	33.07	43.14
Average Net profit		34.85	

**4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : ₹ 69.70 Lakhs****5. Details of CSR spent during the financial year.**

- Total amount to be spent for the financial year; ₹ 69.70 Lakhs**
- Amount unspent, if any; NIL**

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

(in ₹)

No.	CSR Activity	Sector in which activity is covered	Project or programs location 1) Local area or other 2) District (State)	Budget	Amount Spend – Subheads Direct Overheads	Cumulative expenditure up to the reporting period	Amount spent: Directly or through an implementing agency
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) 1) Other 2) Vembakkam (Tamil Nadu)	61,96,000	58,72,500	58,72,500	Implementing Agency – Rane Foundation (Registered Trust) – 47,56,500 Implementing Agency – AID India (Registered Trust) – 11,16,000
2	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)	4,00,000	4,00,000	62,72,500	Implementing Agency – The Gopalapuram Educational Society – Ganapathy Girls Higher Secondary School (Registered Society) – 4,00,000

							(in ₹)
No.	CSR Activity	Sector in which activity is covered	Project or programs location 1) Local area or other 2) District (State)	Budget	Amount Spend - Subheads Direct Overheads	Cumulative expenditure up to the reporting period	Amount spent: Directly or through an implementing agency
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) Local 2) Chennai (Tamil Nadu),	2,40,000	6,40,000	69,12,500	Implementing Agency - Freedom Trust (Registered Trust) - 4,00,000 Implementing Agency - Jeevan Blood Bank (Registered Trust) - 2,40,000
4	CSR Capacity Building	-	1) Local 2) Chennai (Tamil Nadu)	1,34,000	57,500	69,70,000	
<b>Total</b>				<b>69,70,000</b>	<b>69,70,000</b>	<b>69,70,000</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. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

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

Chennai  
May 26, 2017

**L Ganesh**  
Chairman & Managing Director

**L Lakshman**  
Chairman of CSR Committee

## Annexure D to the Report of the Board of Directors

### Particulars of Directors, Key Managerial Personnel and Employees (for financial year 2016-17)

#### 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 2016-17	Ratio of remuneration to median remuneration of employees
<b>Director and Key Managerial Personnel</b>			
Mr. L Lakshman	Executive Chairman and Managing Director (MD)*	7%	34.14
Mr. L Ganesh	Vice-Chairman and Joint Managing Director (JMD)*	9%	21.77
<b>Key Managerial Personnel</b>			
Mr. Siva Chandrasekaran	Secretary	13%	N.A
Mr. J Ananth	Chief Financial Officer (CFO)	20%	N.A

N.A – Not Applicable

\*till March 31, 2017

- None of the other directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof.
  - Remuneration considered based on annual emoluments and designation as on date.
- Median remuneration of the employees of the Company for FY 2016-17 is ₹ 6.53 Lakhs. Increase/ Decrease in median remuneration during the year 2016-17: 9%.**
  - Number of permanent employees on the rolls of the Company as on March 31, 2017 was 88 and March 31, 2016 was 85.**
  - Average percentile increase already made in salary of employees other than the managerial personnel in last financial year : 14%**  
The percentile increase in managerial remuneration: 8%. The increase in managerial remuneration is in line with the present industry standards.
  - 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

- Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	Last employment held	Percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. L Lakshman	Executive Chairman & Managing Director *	2,22,97,489	Permanent	B.E., Executive MBA & 47 years	April 1, 2008	70	Managing Director, Rane Brake Lining Ltd.	7.81%*	Father of Mr. Harish Lakshman and Brother of Mr. L Ganesh
Mr. L Ganesh	Vice Chairman & Joint Managing Director *	1,42,18,859	Permanent	B.Com., ACA, MBA & 39 years	August 1, 2009	63	Chairman & Managing Director – Rane Engine Valve Ltd.	8.47%*	Brother of Mr. L Lakshman

Name	Designation	Remuneration (₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (Years)	Last employment held	Percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. R Venkatanarayanan	President - Corporate Services	89,27,295	Permanent	B.Sc., PG Dip. in Social Science, MHRM, CIPM & 32.1 Years	March 17, 2007	56	General Manager – Human Resource, Rane Brake Lining Ltd	NIL	NIL
Mr. Siva Chandrasekaran	Executive Vice President - Secretarial & Legal and Secretary	53,39,205	Permanent	B.Sc, ACS,NCFM Certification in Corporate Governance, PGDCA & 28 Years	July 1, 2005	53	Deputy General Manager- Secretarial Services Rane Brake Lining Ltd.	0.008%*	NIL
Mr. K Chandran	Executive Vice President - Corporate Strategy & Business Development	50,89,613	Permanent	B.Tech, PGDM & 32.4 Years	September 5, 2014	59	Head- Business Development Sundaram Fasteners Ltd.	NIL	NIL
Mr. S Varadharajan	Vice President - Information Systems	39,81,572	Permanent	BE & 26.6 Years	April 1, 2006	48	Senior Manager - ERP Rane TRW Steering Systems Pvt Ltd.	NIL	NIL
Mr. N Haribabu	Executive Vice President - Business Excellence and L&D	36,61,030	Permanent	B.Tech, PGDIE & 35.4 Years	January 22, 2007	60	Senior consultant National Productivity Council	NIL	NIL
Mr. J Ananth	General Manager -Finance & CFO	35,49,324	Permanent	B.Sc., ACMA, ACA, ACS & 19.4 Years	January 17, 2013	44	Deputy General Manager – Finance Rane TRW Steering Systems Pvt Ltd.	NIL	NIL
Mr. V Ramasubramanian	General Manager - Human Resource	35,09,632	Permanent	B.Com, MSW, MHRM & 16.9 Years	March 15, 2013	41	Associate Director – Talent Attraction Crisil Ltd.	NIL	NIL
Mr. V Viswanathan	General Manager -Information Systems	35,04,203	Permanent	B.Com., M.Com., ACMA & 34.3 Years	September 14, 2007	55	Assistant General Manager - Finance Fenner India Ltd.	NIL	NIL

^ designated as Chairman Emeritus (Non-Executive) effective April 1, 2017.

® designated as Chairman & Managing Director effective April 1, 2017.

\* Includes joint holdings & HUF

- ii. Employed throughout the financial year with remuneration not less than ₹ 1.02 Crores per annum (Excluding Top ten employees given (i) above) : NIL
- iii. Employees whose remuneration was not less than ₹ 8.50 Lakhs p.m if employed part of the financial year (Excluding Top ten employees given (i) above) : NIL
- iv. Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): NIL

# Annexure - E 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 those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR).

### 2. Board of Directors

#### Composition, Attendance & Meetings

As of March 31, 2017, the Board of the Company consists of five non-executive directors and two executive directors with majority being independent directors. The composition of the independent directors is in conformity with the applicable statutory requirements. The directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. None of the directors on the Board, is a member of more than 10 committees or chairperson of more than 5 committees across all listed companies in which he/she is a director in terms of Regulation 26 of SEBI LODR.

The board met five (5) times during the financial year on May 27, 2016, August 11, 2016, November 10, 2016, February 9, 2017 and March 31, 2017. The names and categories of the directors on the Board, their attendance at board meetings and Annual General Meeting held during the year, the number of directorships and committee memberships / chairperson position(s) held by them in other public companies as on March 31, 2017 are given below:

Name of the Director / (DIN)	Category	No. of board meetings attended	Attendance at the last AGM (August 11, 2016)	Number of Directorship in other public companies #		Number of Committee memberships @	
				C	M	C	M
Mr. L Lakshman (DIN 00012554)	Executive Chairman, Managing Director & Promoter	5	Yes	-	6	1	5
Mr. L Ganesh (DIN 00012583)	Vice-Chairman, Joint Managing Director & Promoter	5	Yes	3	6	-	5
Mr. Anjanikumar Choudhari (DIN 00234208)	Non-Executive & Independent	5	Yes	1	1	-	-
Mr. Harish Lakshman (DIN 00012602)	Non-Executive & Promoter	5	Yes	-	4	1	2
Dr. (Ms.) Sheela Bhide (DIN 01843547)	Non-Executive & Independent	4	Yes	1	3	2	3
Mr. Shujaat Khan (DIN 00526891)	Non-Executive & Independent	4	Yes	-	2	-	-
Dr. V Sumantran* (DIN 02153989)	Non-Executive & Independent	5	Yes	-	1	-	1

C : Chairman and M : Member

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

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

\* Dr. V Sumantran was appointed as independent director with effect from May 27, 2016 by shareholders at the Eightieth Annual General Meeting (AGM) held on August 11, 2016.

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

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

Annual calendar for the Board and its committee meetings is circulated in advance to the directors, 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://ranegroup.com/rhlinvestors.html>.

### 3. Audit Committee

#### Composition, Attendance & Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met five (5) times during the year May 27, 2016, August 11, 2016, November 10, 2016, February 9, 2017 and March 31, 2017. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings Attended
Mr. Anjanikumar Choudhari	Chairman - Non-Executive, Independent	5
Mr. L Ganesh	Member - Executive, Promoter	5
Mr. Shujaat Khan <sup>~</sup>	Member - Non-Executive, Independent	3
Dr. V Sumantran <sup>*</sup>	Member - Non-Executive, Independent	1
Mr. Anil Kumar Nehru <sup>®</sup>	Member - Non-Executive, Independent	1

<sup>~</sup> Inducted as a member effective conclusion of meeting of board of directors held on May 27, 2016

<sup>\*</sup> Inducted as a member exclusively for the meeting held on November 10, 2016

<sup>®</sup> Retired as a member effective conclusion of meeting of board of directors held on May 27, 2016

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

The Company Secretary acts as the Secretary to the Committee.

The statutory auditors and the internal auditors were present as invitees in all the meetings wherein financial results were considered. The Executive Chairman and General Manager – Finance & CFO of the Company attended the meetings by invitation. Based on the requirement, other directors/management personnel attended the meetings by invitation. All the recommendations of the audit committee during the year were considered, accepted and approved by the board.

#### Overall purpose and terms of reference

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

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

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

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- Evaluation of internal financial controls and risk management systems

- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto
- Compliance with listing and other legal requirements relating to financial statements
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the Company, as and when required

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

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

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

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

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

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

##### Composition, Attendance and Meetings

The Nomination and Remuneration Committee (NRC) constituted by the Board in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met three (3) times during the year May 27, 2016, August 11, 2016 and March 31, 2017. The details of members and their attendance are as below:

Name of the Director	Category	No of Meetings Attended
Mr. Anjanikumar Choudhari	Chairman - Independent	3
Mr. Harish Lakshman	Member - Non-Executive & Promoter	3
Dr. V Sumantran ~	Member - Non-Executive & Independent	2
Mr. Anil Kumar Nehru ®	Member - Non-Executive, Independent	1

~ Inducted as a member effective conclusion of meeting of board of directors held on May 27, 2016

® Retired as a member effective conclusion of meeting of board of directors held on May 27, 2016

During the year, the NRC perused the candidature of Dr. V Sumantran and after satisfying themselves of his qualifications, experience and expertise, recommended his appointment to the Board of directors and his appointment as Independent Director was approved by the shareholders at the previous AGM 2016. The NRC inter alia, reviewed the process for evaluation of the board, its committee and directors and reviewed the compensation and benefits of senior management personnel (SMP) and key managerial personnel (KMP) of the Company. The Committee also recommended revision in remuneration of Mr. L Lakshman, Executive Chairman and Mr. L Ganesh, Vice Chairman. The NRC has recommended effective April 1, 2017, change in board composition by way of appointment of Mr. L Lakshman as Chairman Emeritus (non-executive Director), Mr. L Ganesh as Chairman & Managing Director and increase in sitting fees payable for Board and Audit Committee meetings.

##### Terms of Reference

- To formulate criteria for determining qualifications, positive attributes and independence of director and evaluation of independent directors and the board.

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

NRC laid down the criteria for evaluation of performance of the board, its committees and directors. In order to align employees with the organizational vision and growth strategies and motivate them to achieve business results, the NRC considered a policy on performance pay laying down the applicability, standards, parameters, methodology and governing rules and approved the policy on leadership development and succession management that focuses on leadership development architecture, leadership assessment across various levels, development plans / programs, human resource systems and processes.

### Remuneration Policy

The remuneration policy of the Company is available as 'Annexure A' to the Report of the Board of Directors.

### Details of Remuneration paid to Directors:

Type of Meeting	Sitting Fees (₹) per meeting
Board	30,000
Audit Committee	10,000
Nomination & Remuneration Committee	10,000
Stakeholder's Relationship Committee	5,000
Corporate Social Responsibility Committee	5,000
Finance Committee	2,500
Executive Committee	-
Strategy & Investment Committee	-

The Company has paid sitting fees apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended March 31, 2017 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2017 <sup>®</sup>
Mr. L Lakshman*	-	2,22,97,489	11,14,745
Mr. L Ganesh*	-	1,42,18,859	12,09,533
Mr. Harish Lakshman	1,85,000	-	1,24,882
Mr. Anjanikumar Choudhari	2,35,000	-	-
Mr. Anil Kumar Nehru <sup>#</sup>	50,000	-	-
Dr. V Sumantran	1,80,000	-	-
Mr. Shujaat Khan	1,50,000	-	-
Dr. (Ms.) Sheela Bhide	1,25,000	-	-

<sup>®</sup> includes joint holdings & HUF

\* No sitting fee was paid to Mr. L Lakshman and Mr. L Ganesh, being executive directors

<sup>#</sup> Mr. Anil Kumar Nehru retired on attaining 75 years as per the retirement policy of the Company, effective conclusion of meeting of board of directors held on May 27, 2016.

**Note:**

1. No other remuneration was paid to non-executive directors except sitting fees.
2. Remuneration paid to Mr. L Lakshman, Executive Chairman and Mr. L Ganesh, Vice-Chairman are based on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors at their meeting held on August 11, 2016. The detailed break-up is provided in MGT-9 of this Annual Report.
3. No shares were pledged by the directors. There is no stock option scheme prevailing in the Company.

**5. Stakeholders' Relationship Committee****Composition, attendance and meetings**

The Stakeholder's Relationship Committee looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company. The Committee met once on February 9, 2017 during the year and all the members were present. The composition of the Committee is stated below:

Name of the Director	Category
Mr. Harish Lakshman	Chairman - Non-Executive & Promoter
Mr. L Ganesh	Member - Executive & Promoter
Dr. (Ms.) Sheela Bhide <sup>~</sup>	Member - Non-Executive & Independent
Mr. Anil Kumar Nehru <sup>®</sup>	Member - Non-Executive & Independent

<sup>~</sup> Inducted as a member effective conclusion of meeting of board of directors held on May 27, 2016

<sup>®</sup> Retired as a member effective conclusion of meeting of board of directors held on May 27, 2016

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

	Nature of Complaint	Received during the year	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	Annual Report related	1	1	-
Through Registrar & Transfer Agent	Non receipt of dividend	1	1	-
Directly to Company	-	-	-	-

No complaint was received under the SEBI Complaints Redress System (SCORES). There are no investor complaints pending unresolved at the end of the financial year 2016-17.

**6. Corporate Social Responsibility (CSR) Committee**

The CSR activities of the Company focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment. The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee. The composition of the Committee is as follows:

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

The CSR Committee met once during the year, on May 27, 2016 and it was attended by all the Committee members. The Company Secretary acts as the Secretary to the Committee. The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board, as per the CSR policy of the Company.

The terms of reference of the Committee are as follows:

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

4. Recommend the CSR expenditure to the Board of the Company for approval
5. Review new proposals and existing projects' status

The report on CSR projects undertaken during the year 2016-17 as approved by the CSR committee in consultation with the Board is annexed to Director's Report as '**Annexure C**'.

## 7. Other Committees

### Share Transfer Committee:

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization, split/ consolidation, issue of duplicate share certificates etc. to a committee comprising of such Senior Officials designated from time to time. The Committee meets to approve share transfers and transmissions and reports the details of transfer / transmissions of securities approved by the Committee to the Board at each meeting of the Board. No sitting fees is payable to the committee members for attending meeting(s) of the Committee.

### Finance Committee

The Finance Committee has been constituted to exercise the borrowing powers delegated by the Board, to approve the financial facilities in connection with the capital expenditures and working capital expenditures of the Company, as per the Annual Operating Plans approved by the Board. The Committee did not meet during the year.

The Committee comprises of the following members:

Name of the Director	Category
Mr. L Ganesh	Chairman - Executive & Promoter
Mr. L Lakshman	Member - Executive & Promoter
Mr. Harish Lakshman	Member - Non- Executive & Promoter

### Executive Committee

The Executive Committee has been constituted to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board. The Committee met once on September 2, 2016 during the year. The Committee composition and attendance details are as follows:

Name of the Director	Category	No of Meetings Attended
Mr. L Ganesh	Chairman - Executive & Promoter	-
Mr. L Lakshman	Member - Executive & Promoter	1
Mr. Harish Lakshman	Member - Non- Executive & Promoter	1

No sitting fees is payable to the committee members for attending meeting(s) of the Committee.

### Strategy & Investment Committee

The Strategy and Investment Committee (SIC) has been constituted to consider matters and proposals relating to investments, disinvestments by the Company in subsidiary /group /joint venture/ associate companies and examining feasibility of the proposals, modalities of funding, investment options to negotiate the terms in this connection and make suitable proposals to the Board. During the year 2016-17, the Committee met once on March 9, 2017 to approve investment/divestment proposals.

The Committee composition and attendance details are as follows:

Name of the Director	Category	No of Meetings Attended
Mr. L Lakshman	Chairman - Executive & Promoter	1
Mr. L Ganesh	Member - Executive & Promoter	1
Mr. Harish Lakshman	Member - Non- Executive & Promoter	1
Dr. V Sumantran*	Member - Non-Executive & Independent	NA

\* Inducted as member effective conclusion of meeting of board of directors held on May 26, 2017

No sitting fees is payable to the committee members for attending meeting(s) of the Committee.

## 8. Code of conduct

The board of directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all board members and employees of the Company in furtherance of its emphasis towards good corporate governance practices. The same has been posted on the website of the Company and is available at the web-link viz., <http://ranegroup.com/pdf/policies/coc.pdf>. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Chairman & Managing Director of the Company to this effect forms part of this report.

### Prevention of Insider Trading

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

## 9. General Body Meetings

Details of previous three Annual General Meetings of the Company are as under:

Date of AGM	Particulars of a special resolution(s) passed	Time	Venue
August 11, 2016 (Thursday) (Eightieth AGM)	Nil	10.15 a.m.	
August 12, 2015 (Wednesday) (Seventy Ninth AGM)	1. Mortgage / create charge on assets under Section 180(1)(a) of the Companies Act, 2013.	10.30 a.m.	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014.
August 12, 2014 (Tuesday) (Seventy Eighth AGM)	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.	

### Postal Ballot

During the year 2016- 17 no special resolutions were passed through Postal Ballot. However, the Company had inter-alia proposed two special and one ordinary resolution(s) for approval of the shareholders vide Postal Ballot Notice dated March 31, 2017, the details of which, in brief, are given below.

1. The Board of Directors at their meeting held on March 31, 2017 appointed Mr. Balu Sridhar, Practising Company Secretary and partner in M/s. A K Jain and Associates as Scrutinizer for conducting the Postal Ballot / e-voting process in a fair and transparent manner.
2. Postal Ballot notices were dispatched to all the members on April 11, 2017 for conducting the voting in respect of resolutions as set out in notice dated March 31, 2017. The cut- off date for determining voting rights was Friday, March 31, 2017.
3. The Company had also provided the option of e-voting through the NSDL platform, thereby giving the members the option to cast their votes electronically.
4. The e-voting was kept open from April 12, 2017 (09.00 a.m. IST) to May 11, 2017 (05.00 p.m. IST).
5. Particulars of all the postal ballots received from the members have been entered in a register separately maintained for the purpose. The postal ballots were kept in the safe custody of the Scrutinizer and were handed over to the Company on completion.
6. All postal ballot forms received up to the close of working hours on May 11, 2017 (05.00 p.m. IST) the last date and time fixed by the Company for receipt of the forms, were considered by the Scrutinizer.

7. Mr. Harish Lakshman, Vice – Chairman announced the combined results of the postal ballot and e-voting on May 16, 2017 and the voting pattern of the same is as under:

Res. No.	Name of the resolution	Type of resolution	No. of votes polled	Votes cast in favour		Votes cast against	
				No. of Votes	%	No. of Votes	%
1	Appointment and remuneration of Mr. L Ganesh (DIN: 00012583) as Chairman and Managing Director	Special	88,68,016	88,66,969	99.6154	1,047	0.0118
2	Payment of Commission to Mr. L Lakshman (DIN: 00012554), Chairman Emeritus (Non-Executive Director)	Special	88,67,866	88,66,153	99.6087	1,713	0.0192
3	Payment of advisory fee to Mr. L Lakshman, Chairman Emeritus	Ordinary	27,32,408	27,30,367	98.7287	2,041	0.0738

Note:

1. The promoter and promoter group were deemed interested and did not vote on resolution no. 3
2. Two (2) shareholders holding One Hundred and Fifty (150) shares each abstained from voting on resolution no. 2 & 3.

## 10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries, etc., which were in conflict with the interests of the Company. The details of the related party transactions as per AS 18 as stated in note 30 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 at the web-link viz., <http://www.ranegroup.com/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 was no pecuniary relationship or transaction 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 the periodical reviews to ensure that the critical risks are controlled by the executive management.
5. The Company has complied with all the mandatory requirements prescribed under Chapter IV of the SEBI LODR.  
The Company has complied with the following non-mandatory requirements:-
  - i. adopting best practices to ensure a regime of unqualified financial statements
  - ii. individual communication of half-yearly performance including summary of the significant events to shareholders
  - iii. Internal Auditor directly reporting to the Audit Committee
6. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.
7. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website. (Link <http://ranegroup.com/pdf/policies/rhlmsp.pdf>.)
8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.

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 Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
10. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

## 11. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. It also addresses the protection 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 at the web-link URL: <http://ranegroup.com/pdf/policies/rhlwbpolicy.pdf>

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

## 12. 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.ranegroup.com>. During the year, presentations were made to analysts/institutional investors and was published on the website of the Company.

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

## 13. General Shareholder Information

### i Information about directors seeking re-appointment / appointment at the forthcoming Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. L Lakshman	Mr. Anjanikumar Choudhari
Father's Name	Mr. L L Narayan	Mr. Ram Shankar Choudhari
Director Identification Number (DIN)	00012554	00234208
Age (in years)	70	73
Date of Birth	July 17, 1946	April 22, 1944
Educational Qualifications	B.E., Executive MBA from London Business School	BA, Masters of Management Studies
Experience	Mr. L Lakshman had been spearheading the business of different companies in Rane Group and has more than 47 years of industrial experience.	Mr. Anjanikumar Choudhari has 48 years of rich industrial experience.
Date of first appointment on the board	November 12, 1976	October 27, 2010 First term as Independent Director under Companies Act 2013 : August 12, 2014
Terms and Conditions of appointment	Appointed as a Non-executive director liable to retire by rotation	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 5 of the Notice dated May 26, 2017 read with explanatory statement thereto.
Last drawn remuneration	₹ 2,22,97,489/- (In his capacity as Executive Chairman and Managing Director upto March 31, 2017.)	Sitting fee for FY 2016-17 ₹ 2,35,000/-

Name of the Director	Mr. L Lakshman	Mr. Anjanikumar Choudhari
<b>Remuneration sought to be paid</b>	No approval is being sought for remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member. Also eligible for commission and advisory fee as per terms approved by the shareholders vide resolutions dated May 11, 2017 passed through postal ballot.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.
<b>Relationship with other Directors/Manager/KMP</b>	Brother of Mr. L Ganesh and Father of Mr. Harish Lakshman	-
<b>Other Directorships</b>	<b>Director</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Limited</li> <li>2. Rane Brake Lining Limited</li> <li>3. Rane Engine Valve Limited</li> <li>4. DCM Limited</li> <li>5. SRF Limited</li> <li>6. Rane TRW Steering Systems Private Limited</li> <li>7. Rane NSK Steering Systems Private Limited</li> <li>8. JMA Rane Marketing Limited</li> </ol>	<b>Chairman</b> <ol style="list-style-type: none"> <li>1. Mahindra Logistics Limited</li> </ol>
<b>Committee Memberships in other Boards</b>	<b>Member – Audit</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Limited</li> <li>2. Rane Engine Valve Limited</li> <li>3. SRF Limited</li> <li>4. DCM Limited</li> <li>5. Rane NSK Steering Systems Private Limited</li> <li>6. Rane TRW Steering Systems Private Limited</li> </ol> <b>Chairperson – Stakeholders' Relationship</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Limited</li> </ol> <b>Member – Nomination and Remuneration</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Limited</li> <li>2. Rane Engine Valve Limited</li> </ol> <b>Chairman – Corporate Social Responsibility</b> <ol style="list-style-type: none"> <li>1. Rane (Madras) Limited</li> <li>2. Rane Engine Valve Limited</li> <li>3. Rane Brake Lining Limited</li> <li>4. Rane NSK Steering Systems Private Limited</li> <li>5. Rane TRW Steering Systems Private Limited</li> </ol> <b>Member – Corporate Social Responsibility</b> <ol style="list-style-type: none"> <li>1. SRF Limited</li> </ol>	<b>Chairman – Corporate Social Responsibility</b> <ol style="list-style-type: none"> <li>1. Mahindra Logistics Limited</li> </ol>
<b>Number of meetings of the Board attended during the year</b>	Five	Five
<b>Number of equity shares held@</b>	11,14,745	Nil

@ includes joint shareholding & HUF

## ii Annual General Meeting

**August 31, 2017 (Thursday) at 10.15 a.m.**

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

iii **Financial Year – 1<sup>st</sup> April – 31<sup>st</sup> March****Financial Calendar:**

<b>Board meeting for approval of</b>	<b>Tentative Date</b>
Annual Accounts for the year ended March 31, 2017	May 26, 2017
Un-audited results for the 1 <sup>st</sup> quarter ending June 30, 2017	By last week of August 2017
Un-audited results for the 2 <sup>nd</sup> quarter ending September 30, 2017	By last week of November 2017
Un-audited results for the 3 <sup>rd</sup> quarter ending December 31, 2017	By first week of February 2018
Annual Accounts for the year ending March 31, 2018	By last week of May 2018

iv **Dividend:****Interim Dividend**

During the year 2016-17, the board of directors declared an interim dividend of 35% (i.e., ₹ 3.50 per share) on the share capital on February 9, 2017. The interim dividend was paid on February 27, 2017 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 21, 2017 (being the Record Date) fixed for this purpose.

**Final Dividend**

The board of directors of the Company at the meeting held on May 26, 2017 has considered and recommended a final dividend of 50% (₹ 5/- per share) on the equity share capital for approval of the shareholders at the ensuing 81<sup>st</sup> AGM to be held on August 31, 2017. The final dividend, if declared, would be paid to those eligible shareholders whose name appeared in the register of members of the Company and records of depositories as on August 24, 2017 (being the Record Date) fixed for this purpose.

v **Listing on Stock Exchanges:**

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

**Listing Fee**

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2016 – 17 to NSE & BSE where the shares of the Company continue to be listed.

vi **Unpaid / Unclaimed Dividends:**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2010 and thereafter, which remain unclaimed for a period of seven years, are required be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within the respective due dates.

During the year, the Company had transferred to IEPF an unclaimed dividend of ₹ 2,70,252/- for the financial year ended March 31, 2009 and interim dividend amount of ₹ 4,02,852/- for the financial year ended March 31, 2010. The Company has sent reminder letters to each of the shareholders whose dividend is remaining unclaimed as per the records available with the Company. Members who have not encashed the dividend warrants are requested to make their claim to the Company. Information in respect of unclaimed dividends and the due dates for transfer to the IEPF are given below:

Year	Date of declaration	Dividend per share* (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2017) (₹)	Last Date for claiming Unpaid Dividend	Due date for transfer to IEPF
31.03.2010	29.07.2010	2.00	1,35,316.00	03.09.2017	03.10.2017
31.03.2011*	03.02.2011	7.50	4,78,222.50	11.03.2018	10.04.2018
31.03.2011	05.08.2011	5.00	3,55,110.00	10.09.2018	10.10.2018
31.03.2012*	06.02.2012	6.00	4,82,496.00	13.03.2019	12.04.2019
31.03.2012	10.08.2012	4.00	2,85,848.00	15.09.2019	15.10.2019
31.03.2013*	06.02.2013	3.50	2,94,287.00	14.03.2020	13.04.2020
31.03.2013	12.08.2013	4.50	3,64,630.50	17.09.2020	17.10.2020
31.03.2014	12.08.2014	6.50	5,60,202.50	17.09.2021	17.10.2021
31.03.2015	12.08.2015	7.50	6,93,120.00	26.08.2022	25.09.2022
31.03.2016	10.03.2016	10.00	8,91,070.00	15.04.2023	15.05.2023

# 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 August 11, 2016 in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer And Refunds) Rules, 2016. The above details were also uploaded in the website of the Company viz. [www.ranegroup.com](http://www.ranegroup.com).

In respect of interim dividend declared by the board of directors on February 9, 2017, dividends remaining unpaid / unclaimed has been transferred to an unclaimed dividend account on March 17, 2017. The last date for claiming such amount, in terms of Section 124 of the Companies Act, 2013, shall be March 17, 2024.

#### vii Unclaimed share certificates:

Under Clause 5A (II) of the listing agreement / Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Details of Unclaimed Suspense account	Number of shareholders	Number of shares outstanding
Aggregate at the beginning of the year	584	75,371
Requests for transfer during the year	5	771
Transfers during the year	5	771
Balance at the end of the year	579	74,600

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

#### viii Transfer of shares to IEPF Suspense Account

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

The details of such unclaimed shares are liable for transfer to the IEPF Authority is available on the web-link viz. <http://ranegroup.com/raneholdings/raneholdingsshareholder.html>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF. The Ministry of Corporate Affairs is yet to notify DP Account to which such unclaimed shares are required to be transferred.

An intimation in this regard was sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest known addresses. The Company has also published notices in newspapers in accordance with the said rules.

**ix Share price data**

The share price data (based on closing price) as quoted on the National Stock Exchange of India Ltd. and BSE Ltd. along with the movement in the respective stock index during the last financial year viz., April 1, 2016 – March 31, 2017 is given below :

Month	BSE Share Prices (₹)		BSE Sensex		NSE Share Prices (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2016	581.75	525.00	26064.12	24673.84	588.20	526.25	7979.90	7546.45
May 2016	587.00	531.00	26725.60	25101.73	580.00	535.00	8178.50	7706.55
June 2016	612.95	571.00	27020.66	26395.71	608.65	554.00	8287.75	8088.60
July 2016	717.30	594.00	28208.62	27126.90	715.25	590.00	8666.30	8323.20
August 2016	716.30	650.15	28452.17	27697.51	715.70	651.15	8786.20	8544.85
September 2016	915.35	722.95	29045.28	27827.53	914.05	724.50	8952.50	8591.25
October 2016	900.55	830.35	28334.55	27529.97	905.20	834.85	8769.15	8520.40
November 2016	858.00	742.90	27876.61	25765.14	854.05	750.10	8626.25	7929.10
December 2016	809.60	729.15	26747.18	25807.10	805.00	738.55	8261.75	7908.25
January, 2017	787.55	756.00	27882.46	26595.45	787.75	753.35	8641.25	8179.50
February 2017	907.00	778.30	28892.97	28141.64	909.20	772.90	8939.50	8716.40
March 2017	948.70	850.30	29648.99	28832.45	951.15	851.45	9173.75	8897.55

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

**x Registrar and Transfer Agents**

The contact details of the RTA are as follows:-

**Integrated Registry Management Services Private Limited**

SEBI Registration No. INR000000544

II Floor, 'Kences Towers',

No.1, Ramakrishna Street, North Usman Road,

T. Nagar, Chennai – 600 017.

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

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

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

**xi Share transfer system & Share Capital Audit**

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

A reconciliation of share capital audit in terms of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

**xii Distribution of shareholding as on March 31, 2017**

No. of Shares Held	Shareholders		Shares	
	Number	% to Total	Number	% to Total
1 - 500	8,416	89.54	7,35,314	5.15
501 - 1000	403	4.29	3,02,100	2.12
1001 - 2000	219	2.33	3,14,407	2.20
2001 - 3000	118	1.26	3,00,737	2.11
3001 - 4000	39	0.41	1,34,439	0.94
4001 - 5000	26	0.28	1,18,535	0.83
5001 - 10000	68	0.72	5,06,882	3.55
10001 and above	110	1.17	1,18,65,395	83.10
<b>Total</b>	<b>9,399</b>	<b>100.00</b>	<b>1,42,77,809</b>	<b>100.00</b>

**xiii Shares****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 March 31, 2017, about 98.07% of the shareholdings have been dematerialised.

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

Particulars	Number of shares		% to total capital	
	As on March 31, 2017	As on March 31, 2016	As on March 31, 2017	As on March 31, 2016
Physical	2,74,976	2,90,624	1.93	2.04
Demat	1,40,02,833	1,39,87,185	98.07	97.96
<b>Total</b>	<b>1,42,77,809</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>100.00</b>

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

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

Demat ISIN Number: **INE384A01010**

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

**xiv Address for communication**

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

OR

Mr. K Suresh Babu  
Director  
Integrated Registry Management Services Private Limited  
SEBI Registration No. INR000000544  
II Floor, 'Kences Towers'  
No.1, Ramakrishna Street  
North Usman Road  
T. Nagar, Chennai 600 017  
Phone: 28140801-03 ♦ Fax: 28142479  
E-mail: corpserv@integratedindia.in

To  
The Members  
Rane Holdings Limited

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

I, hereby declare that to the best of my knowledge and information, all the board members and senior management personnel have affirmed compliance with 'Ethical Standards of Behaviour – RANE COMPASS', the code of conduct, for the year ended March 31, 2017.

Chennai  
May 26, 2017

L Ganesh  
Chairman & Managing Director

To

The Members of

**Rane Holdings Limited**

## **INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

1. This certificate is issued in accordance with the terms of our engagement letter reference no GS/2016-17/RHL/Audit/EL dated October 07, 2016.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Rane Holdings Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### **Managements' Responsibility**

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

### **Auditor's Responsibility**

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

### **Opinion**

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

Chennai, May 26, 2017

## Annexure - F to the Report of the Board of Directors

### Extract of Annual Return -MGT 9

as on the financial year ended on March 31, 2017

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

#### I. REGISTRATION AND OTHER DETAILS:

(i) CIN	: L35999TN1936PLC002202
(ii) Registration Date	: March 3, 1936
(iii) Name of the Company	: <b>Rane Holdings Limited</b>
(iv) Category / Sub-Category of the Company	: Public Company-Limited by Shares/ Indian/ Non-Government Company
(v) Address of the Registered office and contact details	: 'Maithri', No.132, Cathedral Road, Chennai - 600 086 Phone: 044 - 2811 2472; Fax: 044 - 2811 2449 Website: www.ranegroup.com Email ID: investorservices@ranegroup.com
(vi) Whether listed company	: Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	: Integrated Registry Management Services Private Limited II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017 Phone: 044 2814 0801; Fax: 044 2814 2479 E-mail: corpserv@integratedindia.in Contact person: Mr. Suresh Babu K, Director

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

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Trademark fees	774-7740-77400	37.85
2	Dividend income	642-6420-64200	24.54
3	Information technology support service	620-6202-62020	17.82
4	Management consultancy service	702-7020-70200	11.04

#### III. PARTICULARS OF HOLDING, SUBSIDIARY, WHOLLY OWNED SUBSIDIARY, ASSOCIATE COMPANIES AND JOINT VENTURES:

Sl. No.	Name of the company	Address of the company	CIN/GLN	% of shares held	Applicable Section
Subsidiary Companies					
1	Rane (Madras) Ltd.	'Maithri', No.132, Cathedral Road, Chennai – 600086 Tamil Nadu, India	L65993TN2004PLC052856	56.31%	2(87)
2	Rane Engine Valve Ltd.		L74999TN1972PLC006127	51.07%	
3	Rane Brake Lining Ltd.		L63011TN2004PLC054948	46.09%	
Step Down Subsidiary Companies					
1	Rane (Madras) International Holdings B.V	Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands	Not Applicable	100.00%	2(87)
2	Rane Precision Die Casting Inc.	232, Hopkinsville Road, Russellville KY 42276-1280, United State of America	Not Applicable	100.00%	

Sl. No.	Name of the company	Address of the company	CIN/GLN	% of shares held	Applicable Section
Wholly Owned Subsidiary (Overseas)					
1	Rane Holdings Europe GmbH (being renamed from Mainsee 1038, VV GmbH)	Kurt-Schumacher – Strabe 18-20 53113 Bonn	Not Applicable	100.00%	2(87)
2	Rane Holdings America Inc.	160 Greentree Drive, Suite 101, Dover City, County of Kent, 19904	Not Applicable	100.00%	
Joint Venture Companies					
1	Rane TRW Steering Systems Private Ltd.	'Maithri' No.132, Cathedral Road, Chennai – 600086	U35999TN1987PTC014600	50.00%	2(6)
2	Rane NSK Steering Systems Private Ltd.	Tamil Nadu	U29141TN1995PTC030621	49.00%	
3	JMA Rane Marketing Ltd.	2E/5 Jhandewalan Extension, New Delhi – 110055	U51909DL1991PLC042645	48.97%	

Note: During the year M/s. SasMos HET Technologies Ltd. ceased to be an associate company w.e.f. March 16, 2017 pursuant to sale of shares held in the Company by M/s. Rane Holdings Limited in terms of the Share purchase agreement dated March 13, 2017.

#### 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 1 April, 2016]				No. of Shares held at the end of the year [As on 31 March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	32,57,696	-	32,57,696	22.82	32,46,127	-	32,46,127	22.74	(0.08)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	32,57,696	-	32,57,696	22.82	32,46,127	-	32,46,127	22.74	(0.08)
(2) Foreign									
a) NRIs – Individuals	33,77,662	-	33,77,662	23.66	33,77,662	-	33,77,662	23.66	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	33,77,662	-	33,77,662	23.66	33,77,662	-	33,77,662	23.66	-
Total Promoter Shareholding (A) = (A)(1)+ (A)(2)	66,35,358	-	66,35,358	46.47	66,23,789	-	66,23,789	46.39	(0.08)

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 April, 2016]				No. of Shares held at the end of the year [As on 31 March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	12,93,008	150	12,93,158	9.06	13,31,233	150	13,31,383	9.32	0.27
b) Banks / FI	361	3,659	4,020	0.03	2,772	3,659	6,431	0.05	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	6,79,573	-	6,79,573	4.76	6,79,573	-	6,79,573	4.76	-
g) FIs	12,773	-	12,773	0.09	13,113	-	13,113	0.09	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>19,85,715</b>	<b>3,809</b>	<b>19,89,524</b>	<b>13.93</b>	<b>20,26,691</b>	<b>3,809</b>	<b>20,30,500</b>	<b>14.22</b>	<b>0.29</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	9,61,536	2,838	9,64,374	6.75	9,66,750	2,838	9,69,588	6.79	0.04
ii) Overseas	5,41,125	-	5,41,125	3.79	5,41,125	-	5,41,125	3.79	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh	19,02,894	2,61,417	21,64,311	15.16	19,02,574	2,45,769	21,48,343	15.05	(0.11)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	18,20,808	20,400	18,41,208	12.90	17,45,568	20,400	17,65,968	12.36	(0.54)
c) Others (specify)									
Non Resident Indians	58,382	2,160	60,542	0.42	1,03,291	2,160	1,05,451	0.74	0.32
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	5,996	-	5,996	0.04	18,445	-	18,445	0.13	0.09
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Rane Holdings Limited - Unclaimed Shares Suspense Account	75,371	-	75,371	0.53	74,600	-	74,600	0.52	(0.01)
<b>Sub-total (B)(2):-</b>	<b>53,66,112</b>	<b>2,86,815</b>	<b>56,52,927</b>	<b>39.59</b>	<b>53,52,353</b>	<b>2,71,167</b>	<b>56,23,520</b>	<b>39.39</b>	<b>(0.20)</b>
<b>Total Public Shareholding (B) = (B)(1)+ (B)(2)</b>	<b>73,51,827</b>	<b>2,90,624</b>	<b>76,42,451</b>	<b>53.53</b>	<b>73,79,044</b>	<b>2,74,976</b>	<b>76,54,020</b>	<b>53.61</b>	<b>0.08</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>1,39,87,185</b>	<b>2,90,624</b>	<b>1,42,77,809</b>	<b>100.00</b>	<b>1,40,02,833</b>	<b>2,74,976</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			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Ganesh L & Meenakshi Ganesh	7,12,196	4.99	-	7,12,196	4.99	-	-
2	Raman T G G	14,84,056	10.39	-	14,84,056	10.39	-	-
3	Lakshman L & Pushpa Lakshman	6,62,940	4.64	-	6,62,940	4.64	-	-
4	Rathika R Sundaresan	6,25,066	4.38	-	6,25,066	4.38	-	-
5	Geetha Raman Subramanyam	6,25,065	4.38	-	6,25,065	4.38	-	-
6	Ranjini R Iyer	6,25,065	4.38	-	6,25,065	4.38	-	-
7	Meenakshi Ganesh & L Ganesh	3,05,430	2.14	-	3,05,430	2.14	-	-
8	Vanaja Aghoram	2,75,635	1.93	-	2,75,635	1.93	-	-
9	L Lakshman (HUF)	2,16,986	1.52	-	2,16,986	1.52	-	-
10	Pushpa Lakshman & L Lakshman	1,95,199	1.37	-	1,95,199	1.37	-	-
11	Ganesh L (HUF)	1,91,907	1.34	-	1,91,907	1.34	-	-
12	Shanthi Narayan	1,35,722	0.95	-	1,35,722	0.95	-	-
13	Harish Lakshman	1,24,817	0.87	-	1,24,817	0.87	-	-
14	Aditya Ganesh	1,14,281	0.8	-	1,14,281	0.8	-	-
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	Pushpa Lakshman	10,569	0.07	-	-	-	-	(0.07)
22	Chitra Sundaresan	11,709	0.08	-	10,709	0.07	-	(0.01)
23	Suchitra Narayan	2,979	0.02	-	2,979	0.02	-	-
24	Pravin Kumar	2,800	0.02	-	2,800	0.02	-	-
25	Sumant Narayan	2,223	0.02	-	2,223	0.02	-	-
26	Keshav Harish Lakshman	100	0.00	-	100	0.00	-	-
27	Malavika Lakshman & Harish Lakshman	65	0.00	-	65	0.00	-	-
<b>Total</b>		<b>66,35,358</b>	<b>46.47</b>	<b>-</b>	<b>66,23,789</b>	<b>46.39</b>	<b>-</b>	<b>(0.08)</b>

## (iii) Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year (As on April 01, 2016)		Cumulative Shareholding during the year (As on March 31, 2017)	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>At the beginning of the year</b>	<b>66,35,358</b>	<b>46.47</b>	<b>66,35,358</b>	<b>46.47</b>
Pushpa Lakshman	10,569	0.07	10,569	0.07
Chitra Sundaresan	11,709	0.08	11,709	0.08
Other Promoters (Mentioned in (ii) above)	66,13,080	46.32	66,13,080	46.32
<b>Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease: (e.g. allotment /transfer / bonus/ sweat equity etc.)</b>				
<b>Chitra Sundaresan</b>				
Sale of shares on 09.09.2016	1000	0.01	1000	0.01
<b>Pushpa Lakshman</b>				
Sale of shares between 18.08.2016 and 25.08.2016	10,569	0.07	10,569	0.07
<b>At the end of the year</b>	<b>66,23,789</b>	<b>46.39</b>	<b>66,23,789</b>	<b>46.39</b>
Pushpa Lakshman	-	-	-	-
Chitra Sundaresan	10,709	0.07	10,709	0.07
Other Promoters (Mentioned in (ii) above)	66,13,080	46.32	66,13,080	46.32

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
1	Sundaram Mutual Fund	8,00,308	5.61	05.08.2016	(1264)	(0.01)	Transfer	7,99,044	5.6
				19.08.2016	(7,759)	(0.05)	Transfer	7,91,285	5.54
				26.08.2016	(5,274)	(0.04)	Transfer	7,86,011	5.51
				02.09.2016	(1,967)	(0.01)	Transfer	7,84,044	5.49
				09.09.2016	(10,471)	(0.07)	Transfer	7,73,573	5.42
				16.09.2016	(15,741)	(0.11)	Transfer	7,57,832	5.31
				21.10.2016	(562)	0	Transfer	7,57,270	5.3
				28.10.2016	(3,157)	(0.02)	Transfer	7,54,113	5.28
2	Nisshinbo Holdings Inc.	5,41,125	3.79	-	-	-	-	5,41,125	3.79

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase/ Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
3	UTI Mutual Fund	4,92,700	3.45	08.04.2016	560	0.00	Purchase	4,93,260	3.46
				15.04.2016	5,957	0.04	Purchase	4,99,217	3.50
				29.04.2016	1,693	0.01	Purchase	5,00,910	3.51
				06.05.2016	1,482	0.01	Purchase	5,02,392	3.52
				27.05.2016	917	0.01	Purchase	5,03,309	3.53
				03.06.2016	2,016	0.01	Purchase	5,05,325	3.54
				10.06.2016	1,090	0.01	Purchase	5,06,415	3.55
				08.07.2016	2,888	0.02	Purchase	5,09,303	3.57
				22.07.2016	1,114	0.01	Purchase	5,10,417	3.58
				05.08.2016	3,709	0.03	Purchase	5,14,126	3.60
				12.08.2016	2,655	0.02	Purchase	5,16,781	3.62
				19.08.2016	14,577	0.10	Purchase	5,31,358	3.72
				26.08.2016	4,644	0.03	Purchase	5,36,002	3.75
				09.09.2016	(3,000)	(0.02)	Transfer	5,33,002	3.73
				13.01.2017	(150)	0.00	Transfer	5,32,852	3.73
				17.02.2017	15,000	0.11	Purchase	5,47,852	3.84
				03.03.2017	583	0.00	Purchase	5,48,435	3.84
				10.03.2017	3,335	0.02	Purchase	5,51,770	3.87
				31.03.2017	2,168	0.02	Purchase	5,53,938	3.88
4	United India Insurance Company Limited	4,31,396	3.02	-	-	-	-	4,31,396	3.02
5	Enam Securities Pvt Ltd	3,01,541	2.11	-	-	-	-	3,01,541	2.11
6	Anil Kumar Goel	2,25,000	1.58	-	-	-	-	2,25,000	1.58
7	General Insurance Corporation of India	2,18,623	1.53	-	-	-	-	2,18,623	1.53
8	V S T Tillers Tractors Limited	1,25,000	0.88	-	-	-	-	1,25,000	0.88
9	Hiten Anantrai Sheth	1,16,307	0.82	-	-	-	-	1,16,307	0.82
10	Prescient Wealth Management Pvt Ltd	1,13,000	0.79	-	-	-	-	1,13,000	0.79

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

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>	<b>24,49,160</b>	<b>17.15</b>	<b>24,49,160</b>	<b>17.15</b>
Ganesh L & Meenakshi Ganesh	10,17,626	7.13	10,17,626	7.13
Lakshman L & Pushpa Lakshman	8,97,759	6.29	8,97,759	6.29
Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Harish Lakshman & Malavika Lakshman	65	0.00	65	0.00
Ganesh L (HUF)	1,91,907	1.34	1,91,907	1.34
Lakshman L (HUF)	2,16,986	1.52	2,16,986	1.52

**Date wise Increase / Decrease in directors and key managerial personnel during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): NO CHANGE**

<b>At the end of the year</b>	<b>24,49,160</b>	<b>17.15</b>	<b>24,49,160</b>	<b>17.15</b>
Ganesh L & Meenakshi Ganesh	10,17,626	7.13	10,17,626	7.13
Lakshman L & Pushpa Lakshman	8,97,759	6.29	8,97,759	6.29
Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Harish Lakshman & Malavika Lakshman	65	0.00	65	0.00
Ganesh L (HUF)	1,91,907	1.34	1,91,907	1.34
Lakshman L (HUF)	2,16,986	1.52	2,16,986	1.52

**V. INDEBTEDNESS:****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

Amount in ₹

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	27,00,00,000	-	-	27,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	48,15,616	-	-	48,15,616
<b>Total (i+ii+iii)</b>	<b>27,48,15,616</b>	<b>-</b>	<b>-</b>	<b>27,48,15,616</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	-	-	-	-
Reduction	(11,93,92,821)	-	-	(11,93,92,821)
<b>Net Change</b>	<b>(11,93,92,821)</b>	<b>-</b>	<b>-</b>	<b>(11,93,92,821)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	15,18,75,000	-	-	15,18,75,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35,47,795	-	-	35,47,795
<b>Total (i+ii+iii)</b>	<b>15,54,22,795</b>	<b>-</b>	<b>-</b>	<b>15,54,22,795</b>

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

Amount in ₹

Sl. No.	Particulars of Remuneration	Managing Director <sup>§</sup>	Joint Managing Director <sup>®</sup>	Total Amount
		L Lakshman	L Ganesh	
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	1,10,81,476	1,20,19,943	2,31,01,419
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	8,38,413	21,98,916	30,37,329
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	1,03,77,600	-	1,03,77,600
5	Others, please specify	-	-	-
<b>Total (A)</b>		<b>2,22,97,489</b>	<b>1,42,18,859</b>	<b>3,65,16,348</b>
<b>Ceiling as per the Act (being 10% of Net Profit as per Section 198 of Companies Act, 2013)</b>				<b>4,07,00,622</b>

<sup>§</sup> Appointed as Chairman Emeritus (Non-Executive) w.e.f. April 1, 2017<sup>®</sup> Appointed as Chairman & Managing Director w.e.f. April 1, 2017**B. Remuneration to other Directors:**

Amount in ₹

S. No.	Particulars of Remuneration	Name of Directors						Total
		Harish Lakshman*	Anil Kumar Nerhu <sup>®</sup>	Shujaat Khan	V Sumantran <sup>§</sup>	Anjanikumar Choudhari	Sheela Bhide	Amount
<b>1</b>	<b>Independent Directors</b>							
a	Fee for attending board / committee meetings	-	50,000	1,50,000	1,80,000	2,35,000	1,25,000	7,40,000
b	Commission	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-
<b>Total (B1)</b>		-	<b>50,000</b>	<b>1,50,000</b>	<b>1,80,000</b>	<b>2,35,000</b>	<b>1,25,000</b>	<b>7,40,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>							
a	Fee for attending board / committee meetings	1,85,000	-	-	-	-	-	-
b	Commission	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-
<b>Total (B2)</b>		<b>1,85,000</b>	-	-	-	-	-	<b>1,85,000</b>
<b>Total (B1+B2)</b>		<b>1,85,000</b>	<b>50,000</b>	<b>1,50,000</b>	<b>1,80,000</b>	<b>2,35,000</b>	<b>1,25,000</b>	<b>9,25,000</b>
<b>Grand Total (A+B)</b>								<b>3,74,41,348</b>
<b>** Overall Ceiling as per the Act (being 11% of Net Profit calculated as per Section 198 of Companies Act, 2013)</b>								<b>4,47,70,684</b>

\*Appointed as Vice-Chairman w.e.f. April 1, 2017

<sup>§</sup> Appointed as Director w.e.f. May 27, 2016<sup>®</sup> Retired as Director w.e.f. May 27, 2016

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

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

Amount in ₹

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CFO	CS	Total
		Mr. J Ananth	Mr. Siva Chandrasekaran	
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	35,07,932	52,24,679	<b>87,32,611</b>
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	41,392	1,14,526	<b>1,55,918</b>
(c)	Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	- others, specify...			
5	Others, please specify	-	-	-
<b>Total (C)</b>		35,49,324	53,39,205	<b>88,88,529</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

# Independent Auditor's Report

## TO THE MEMBERS OF RANE HOLDINGS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **RANE HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss and 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 prescribed under Section 133 of the Act.

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

### Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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.
  - 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 standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company did 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 by the Company.
- iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from

November 08, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

Chennai, May 26, 2017

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

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

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

We have audited the internal financial controls over financial reporting of **RANE HOLDINGS LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor’s Responsibility**

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

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

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

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

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

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

**Geetha Suryanarayanan**  
Partner  
(Membership No. 29519)

Chennai, May 26, 2017

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

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / court order approving scheme of arrangement / amalgamation provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

Immovable properties of land whose title deed have been pledged with the lender as security for term loan, are held in the name of the Company based on the Mortgage deed executed between the lender and the Company for which confirmations have been obtained from the lender.

- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company’s business/activities, reporting under Clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employee State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax and Excise Duty which have not been deposited as on March 31, 2017 on account of disputes are given below

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in Lakhs)	Amount Unpaid (₹ in Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2005-06, 2008-09, 2009-10, 2011-12 to 2013-14	1,564	1,007
Finance Act, 1994	Service tax	Customs, Excise & Service Tax Appellate Tribunal	19-4-2006 to 31-3-2011	2.05	-
Customs Act, 1962	Custom Duty	Customs, Excise & Service Tax Appellate Tribunal	2012-13	6	6

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions. The Company has not issued any debentures and has not taken any loans from banks and government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained . The Company has not raised moneys by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material

fraud on the Company by its officers or employees has been noticed or reported during the year.

- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements, etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**

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

**Geetha Suryanarayanan**

Partner  
(Membership No. 29519)

Chennai, May 26, 2017

# Balance Sheet

as at 31 March, 2017

₹ Lakhs

Particulars	Note No	As at 31 March, 2017	As at 31 March, 2016
<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	33,270	28,862
		<b>34,698</b>	<b>30,290</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	844	2,194
(b) Deferred tax liabilities (Net)	6	1	46
		<b>845</b>	<b>2,240</b>
<b>(3) Current Liabilities</b>			
(a) Trade payables			
i. Dues of micro enterprises and small enterprises	27	-	-
ii. Dues of creditors other than micro enterprises and small enterprises	7	275	332
(b) Other current liabilities	8	944	763
(c) Short-term provisions	9	146	128
		<b>1,365</b>	<b>1,223</b>
<b>Total</b>		<b>36,908</b>	<b>33,753</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Property, Plant and Equipment (Tangible assets)	10	8,875	9,007
(ii) Capital work-in-progress		160	-
(iii) Intangible assets	10	45	19
(b) Non-current investments	11	20,550	22,250
(c) Long-term loans and advances	12	783	798
		<b>30,413</b>	<b>32,074</b>
<b>(2) Current assets</b>			
(a) Current investments	13	5,273	876
(b) Trade receivables	14	586	383
(c) Cash and bank balances	15	434	195
(d) Short-term loans and advances	16	200	216
(e) Other current assets	17	2	9
		<b>6,495</b>	<b>1,679</b>
<b>Total</b>		<b>36,908</b>	<b>33,753</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  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Statement of Profit and Loss

for the year ended 31 March, 2017

₹ Lakhs

Particulars	Note No	Year ended 31 March, 2017	Year ended 31 March, 2016
<b>I. Revenue from operations</b>	18	7,144	7,496
<b>II. Other Income</b>	19	2,736	89
<b>III. Total Revenue (I + II)</b>		<b>9,880</b>	<b>7,585</b>
<b>IV. Expenses:-</b>			
Employee benefits expense	20	1,376	1,200
Finance costs	21	278	224
Depreciation and amortization expense	10	141	115
Other expenses	22	1,804	1,756
<b>Total Expenses</b>		<b>3,599</b>	<b>3,295</b>
<b>V. Profit before tax (III - IV)</b>		<b>6,281</b>	<b>4,290</b>
<b>VI. Tax expense:</b>			
(1) Current tax		1,322	743
(2) Relating to earlier year		18	-
(3) Net Current Tax Expenses		1,340	743
(4) Deferred tax		(45)	(18)
<b>Net tax expense</b>		<b>1,295</b>	<b>725</b>
<b>VII. Profit for the year (V - VI)</b>		<b>4,986</b>	<b>3,565</b>
<b>VIII. Earning per equity share (of ₹ 10 each):</b>			
(1) Basic (in ₹)	34	34.92	24.97
(2) Diluted (in ₹)		34.92	24.97

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  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Cash Flow Statement

for the year ended 31 March, 2017

₹ Lakhs

Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
<b>A. Cash flow from operating activities</b>				
Profit before tax		6,281		4,290
Adjustments for:				
Depreciation and amortization	141		115	
Loss on Property, Plant and Equipment sold/scrapped/ written off	65			
Profit on sale on non-current investment	(2,631)			
Finance costs	278		224	
Interest income	-		(21)	
Dividend Income from Current Investments	(82)		(53)	
		<b>(2,229)</b>		<b>265</b>
Operating profit before working capital changes		<b>4,052</b>		<b>4,555</b>
Changes in working capital				
Adjustments for (increase) / decrease in operating assets:				
(Increase) / Decrease in trade receivables	(203)		(8)	
(Increase) / Decrease in short-term loans and advances	16		(83)	
(Increase) / Decrease in Long-term loans and advances	14		(20)	
(Increase) / Decrease in other current assets	7		(2)	
Adjustments for increase / (decrease) in operating liabilities:				
Increase / (Decrease) in trade payables	(57)		179	
Increase / (Decrease) in other current liabilities	15		(42)	
Increase/ (Decrease) in short-term provisions	18		18	
		(190)		42
Cash generated from operations		3,862		4,597
Direct Taxes paid		(1,315)		(840)
<b>Net cash flow from operating activities (A)</b>		<b>2,547</b>		<b>3,757</b>
<b>B. Cash flow from investing activities</b>				
Capital expenditure on Property, Plant and Equipment, Intangible assets including capital advances	(301)		(4,021)	
Proceeds from sale of Property, Plant and Equipment	12		-	
Purchase of long-term investments				
- Subsidiaries	(19)		(5)	
Sale of Long term investments	4,350		-	
Loan repaid by related parties	-		225	
Interest received	-		19	
Dividend received from Current Investments	82		53	
<b>Net cash flow from / (used in) investing activities (B)</b>		<b>4,124</b>		<b>(3,729)</b>

<b>C. Cash flow from financing activities</b>				
(Repayment of) / Proceeds from long-term borrowing	(1,181)		2,700	
Finance cost	(280)		(172)	
Dividends paid	(500)		(2,500)	
Tax on dividend	(78)		(371)	
<b>Net cash flow used in financing activities (C)</b>		<b>(2,039)</b>		<b>(343)</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>		<b>4,632</b>		<b>(315)</b>
Cash and cash equivalents at the beginning of the year		195		132
Add: Current investments considered as cash & cash equivalents		876		1,255
Less: Unclaimed Dividend Bank Account		41		42
Adjusted Cash & Cash Equivalents as at Beginning of the year		<b>1,030</b>		<b>1,345</b>
Cash and cash equivalents at the end of the year (Note 15)		434		195
Add: Current Investments considered as Cash & Cash Equivalents (Note 13)		5,273		876
Less: Unclaimed Dividend Bank Account		45		41
<b>Adjusted Cash and cash equivalents at the end of the year</b>		<b>5,662</b>		<b>1,030</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  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Notes forming part of the financial statements

for the year ended 31 March, 2017

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

## 2 Significant Accounting Policies

### 2.1 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"). 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 38.

### 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

**2.5.1** 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.

Buildings	- 30 Years
Vehicles	- 5 Years
Furniture and Fittings	- 5 Years
Office Equipment	- 3 Years

### 2.5.2 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.

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

### 2.5.4 During the year the company has revised the useful life of buildings from 60 years to 30 years after considering the following aspects:

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

The Company has calculated depreciation effective from April 01, 2016 adopting revised useful life of 30 years for both office and residential building. The incremental depreciation on account of the above revision, for the year ended 31 March, 2017 is ₹ 25.76 Lakhs.

## 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**

Dividend income is accounted for when the right to receive it is established.

**2.7 Property, Plant and Equipment and Intangible assets****2.7.1 Property, Plant and Equipment**

Property, Plant and Equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the 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 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 recognized nor disclosed in the financial statements.

A provision is 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.

## 2.17 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 3 SHARE CAPITAL

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
(a) Authorised:		
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) Issued, Subscribed and Fully Paid Up:-		
Equity Shares:		
1,42,77,809 Shares (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, 2017		As at 31 March, 2016	
	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. Sundaram Mutual Fund A/c Sundaram Smile Fund	7,54,113	5.28%	8,00,308	5.61%

#### 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

Description	As at 31 March, 2017	As at 31 March, 2016
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	21,327	19,773
Add: Transfer from Surplus in Statement of Profit and Loss	-	1,554
<b>Closing Balance</b>	<b>21,327</b>	<b>21,327</b>
<b>f. Net surplus in Statement of Profit and Loss</b>		
Opening Balance	1,718	1,288
Add:		
Profit for the year	4,986	3,565
Less:-		
Interim Dividend @ 35% (Previous Year - 100%)	500	1,428
Tax on dividend (Net of dividend tax on dividend distributed by subsidiaries available for set off)	78	153
Transfer to General Reserve	-	1,554
<b>Net surplus in the Statement of Profit and Loss</b>	<b>6,126</b>	<b>1,718</b>
<b>Total Reserves and Surplus</b>	<b>33,270</b>	<b>28,862</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 prior years.
- 4.2 General Reserve on merger represents ₹ 819 Lakhs (₹ 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 with effect from 1 April, 2009.
- 4.3 The Board of Directors, in the meeting held on 26 May, 2017, have recommended a final dividend of ₹ 5 Per Share amounting to ₹ 714 Lakhs on Equity Shares of ₹ 10/- each for the year 2016-17, subject to the approval of the Shareholders. Dividend Distribution Tax on the same amounts to ₹ 145 Lakhs. This final dividend on shares will be recorded as a liability on the date of approval by the Shareholders.

## 5 LONG TERM BORROWINGS

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Secured Term Loan (Refer Note 5.1)	844	2,194
<b>Total Long Term Borrowings</b>	<b>844</b>	<b>2,194</b>

5.1

Amount outstanding as at  
31 March, 2017 (₹ Lakhs)

Particulars	Long term borrowings	Current maturities of long term borrowings	Rate of Interest	Terms of Repayment	Repayment during the year	Details of security offered
Term Loan availed from Tata Capital Financial Services Limited [TCFSL] on 4 July, 2015	844 (PY 2,194)	675 (PY 506)	7.1% p.a below long term lending rate of TCFSL [10.85% till 31 January, 2017 and 10.55% from 1 February, 2017]	Repayment in sixteen quarterly installments of ₹ 168.75 Lakhs from 31 July, 2016	During the year, company made a prepayment of ₹ 675 Lakhs in addition to regular repayment installments amount of ₹ 506 Lakhs	Charge by way of mortgage on the company's land at Chittaranjan Road, Chennai.

**6 DEFERRED TAX LIABILITIES (net)**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of Property, Plant and Equipment	56	94
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>56</b>	<b>94</b>
<b>Tax effect of items constituting deferred tax assets</b>		
On expenditure related to employee benefits	55	48
<b>Tax effect of items constituting deferred tax asset (B)</b>	<b>55</b>	<b>48</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>1</b>	<b>46</b>

**7 TRADE PAYABLES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
- Dues of creditors other than Micro Enterprises & Small Enterprises	275	332
<b>Total Trade Payables</b>	<b>275</b>	<b>332</b>

**8 OTHER CURRENT LIABILITIES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Current Maturities of Long Term Loan (Refer Note 5.1)	675	506
Interest accrued but not due on borrowing	35	48
Unclaimed dividends	45	41
Statutory Remittances (includes TDS, PF, VAT )	85	75
Gratuity (Refer Note 28 (ii))	14	13
Retention Money	4	-
Advance received from customers (Refer Note 30)	27	21
Others (Refer Note 26)	59	59
<b>Total Other Current Liabilities</b>	<b>944</b>	<b>763</b>

**9 SHORT TERM PROVISIONS**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Provision for Compensated absences (Refer Note 28 (iii))	146	128
<b>Total Short Term Provisions</b>	<b>146</b>	<b>128</b>

## 10 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Description	Gross Block				Accumulated Depreciation and Amortisation				Net Block	
	As at 01 Apr 2016	Additions	Disposals	As at 31 Mar 2017	As at 01 Apr 2016	For the year	Disposals	As at 31 Mar 2017	As at 31 Mar 2017	As at 31 Mar 2016
<b>A. Tangible assets</b>										
Land	7,942 (3,989)	- (3,953)	-	7,942 (7,942)	-	-	-	-	7,942 (7,942)	7,942 (3,989)
Buildings	1,077 (1,076)	- (1)	102	975 (1,077)	188 (170)	42 (18)	31	199 (188)	776 (889)	889 (906)
Plant and Machinery	20 (20)	- (7)	5	15 (20)	9 (7)	1 (2)	-	10 (9)	5 (1)	11 (13)
Electrical Equipment	117 (119)	7 (2)	4	120 (117)	72 (54)	19 (20)	3	88 (72)	32 (45)	45 (65)
Furniture and Fixtures	229 (230)	7 (2)	5	231 (229)	154 (122)	40 (35)	5	189 (154)	42 (75)	75 (108)
Vehicles	45 (23)	30 (22)	11	64 (45)	24 (22)	8 (2)	11	21 (24)	43 (20)	21 (1)
Office Equipments	279 (258)	27 (25)	60	246 (279)	255 (230)	16 (29)	60	211 (255)	35 (24)	24 (28)
<b>Total Property, Plant and Equipment</b>	<b>9,709</b> <b>(5,715)</b>	<b>71</b> <b>(4,003)</b>	<b>187</b> <b>(9)</b>	<b>9,593</b> <b>(9,709)</b>	<b>702</b> <b>(605)</b>	<b>126</b> <b>(106)</b>	<b>110</b> <b>(9)</b>	<b>718</b> <b>(702)</b>	<b>8,875</b> <b>(9,007)</b>	<b>9,007</b> <b>(5,110)</b>
<b>B. Intangible assets</b>										
Computer Software	61 (54)	41 (7)	-	102 (61)	42 (33)	15 (9)	-	57 (42)	45 (19)	19 (21)
<b>Total Intangible Assets</b>	<b>61</b>	<b>41</b>	<b>-</b>	<b>102</b>	<b>42</b>	<b>15</b>	<b>-</b>	<b>57</b>	<b>45</b>	<b>19</b>
Previous year	(54)	(7)	-	(61)	(33)	(9)	-	(42)	(19)	(21)
<b>Total Property, Plant and Equipment and Intangible assets (A+B)</b>	<b>9,770</b>	<b>112</b>	<b>187</b>	<b>9,695</b>	<b>744</b>	<b>141</b>	<b>110</b>	<b>775</b>	<b>8,920</b>	<b>9,026</b>
Previous year	(5,769)	(4,010)	(9)	(9,770)	(638)	(115)	(9)	(744)	(9,026)	(5,131)

₹ in Lakhs

## 11 NON CURRENT INVESTMENTS (at cost)

₹ Lakhs

Description	Face Value per Share	No. of Shares	No. of Shares	As at	As at
		as at 31 March, 2017	as at 31 March, 2016	31 March, 2017	31 March, 2016
Trade					
Investment in Equity instruments (fully paid up)					
(i) Subsidiary Companies					
Quoted:					
Rane (Madras) Limited	10	59,18,156	59,18,156	6,602	6,602
Rane Engine Valve Limited	10	34,31,054	34,31,054	8,332	8,332
Rane Brake Lining Limited	10	36,48,311	36,48,311	1,607	1,607
Unquoted:					
Rane Holdings America Inc.	\$1	20,000	20,000	10	10
Mainsee 1038, VV GMBH (Rane Holdings Europe GmbH) (Refer note 11.1)	€1	25,000	-	19.36	-
(ii) Associate Company					
Unquoted:					
SasMos HET Technologies Limited (Refer note 11.2)	10	-	6,11,399	-	1,718.56
(iii) Joint Venture Companies					
Unquoted:					
Rane TRW Steering Systems Private Limited	10	43,69,123	43,69,123	2,332	2,332
Rane NSK Steering Systems Private Limited	10	87,71,000	87,71,000	1,012	1,012
JMA Rane Marketing Limited	10	3,60,003	3,60,003	36	36
(iv) Other Entities					
Unquoted:					
Wellington Corporate Foundation [60 shares of ₹ 10/- each costing ₹ 1,000/-]	10	60	60	-	-
Investment in Cumulative Redeemable Preference Shares (fully paid up)					
(i) Subsidiary Company					
Unquoted:					
Rane (Madras) Limited	10	82,32,164	82,32,164	600	600
Total Non Current Investments				20,550	22,250
Aggregate value of Investments:-					
Quoted at Cost				16,541	16,541
At Market Value				90,013	47,091
Unquoted at Cost				4,009	5,709

Note:

- 11.1 The company has established a Wholly Owned Subsidiary (WOS) in Germany through acquisition of 100% Equity shares of Mainsee 1038. VV GmbH during the year, and in the process of changing the name of this WOS from Mainsee 1038. VV GmbH to Rane Holdings Europe GmbH.
- 11.2 During the year the company has divested its entire holding of 6,11,399, equity shares of ₹ 10/- each fully paid up of M/s SasMos HET

Technologies Limited.

**12 LONG TERM LOANS AND ADVANCES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Unsecured, considered good, unless otherwise stated</b>		
Capital Advances	42	9
Salary advances to Employees	4	14
Security Deposits	5	9
Advance Tax [Net of Provision ₹5,849 lakhs ( ₹4,498 lakhs)]	732	766
<b>Total Long Term Loans and Advances</b>	<b>783</b>	<b>798</b>

**13 CURRENT INVESTMENTS**

₹ Lakhs

Description	NAV Per unit - ₹	No. of Units		As at 31 March, 2017	As at 31 March, 2016
		As at 31 March, 2017	As at 31 March, 2016		
<b>Unquoted:</b>					
Investments in Mutual Funds					
-HDFC Liquid Fund - Dividend Daily Reinvestment	1,019.8200	2,79,654	56,441	2,852	576
-Birla Sun Life Mutual Fund - Dividend Daily Reinvestment	100.1950	24,16,617	2,99,640	2,421	300
<b>Total Current Investments</b>				<b>5,273</b>	<b>876</b>

**Note:**

Of the above, the balances that meet the definition of Cash & Cash equivalents as per AS 3 Cash Flow Statement

5,273 876

**14 TRADE RECEIVABLES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Unsecured, considered good</b>		
- Outstanding for a period exceeding six months from the due date of payment	-	-
- Other trade receivables (Refer Note 30 and Note below)	586	383
<b>Total Trade Receivables</b>	<b>586</b>	<b>383</b>
<b>Note: Includes dues from related parties</b>		
Private Company in which any director is a director or member :		
Rane NSK Steering Systems Private Limited	35	1
<b>Total</b>	<b>35</b>	<b>1</b>

**15 CASH AND BANK BALANCES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Cash and Cash equivalents</b>		
- Cash on hand	1	1

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Balances with Banks</b>		
- In Current Accounts	388	153
<b>Other Bank balances</b>		
In earmarked accounts:		
- Unclaimed Dividend accounts	45	41
<b>Total of Cash and bank balances</b>	<b>434</b>	<b>195</b>
Note: Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is Cash on hand and balances with banks in current accounts.	<b>389</b>	<b>154</b>

**16 SHORT-TERM LOANS AND ADVANCES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Unsecured, considered good, unless otherwise stated</b>		
Prepaid Expenses	176	174
Security Deposits	5	4
Service Tax credit receivable	-	14
Others (includes advances to suppliers & employees)	19	24
<b>Total Short-Term Loans and Advances</b>	<b>200</b>	<b>216</b>

**17 OTHER CURRENT ASSETS**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Interest accrued and due on loan to related parties (Refer Note 30)	-	7
Insurance claim	2	2
<b>Total Other Current assets</b>	<b>2</b>	<b>9</b>

**18 REVENUE FROM OPERATIONS**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Dividend from Non-Current Investments		
- Subsidiaries	393	1,294
- Other companies	1,298	1,115
Service Fee	2,718	2,823
Trade Mark Fee	2,735	2,264
<b>Total Revenue from Operations</b>	<b>7,144</b>	<b>7,496</b>

**19 OTHER INCOME**

₹ Lakhs

Description	Year Ended 31 March 2017	Year Ended 31 March, 2016
Interest Income		
- From loans to related parties	-	21
Dividend Income from Current Investments	82	53
Profit on Sale of Investment (Refer note 11.2)	2,631	-
Miscellaneous Income (Refer note 19.1)	23	15

<b>Total Other Income</b>	<b>2,736</b>	<b>89</b>
---------------------------	--------------	-----------

Note:- 19.1 - Includes interest on Income tax refund of ₹ 19 Lakhs

## 20 EMPLOYEE BENEFITS EXPENSE

₹ Lakhs

<b>Description</b>	<b>Year Ended 31 March, 2017</b>	<b>Year Ended 31 March, 2016</b>
Salaries and Wages	1,167	1,037
Contribution to Provident and other funds (Refer note 28)	119	109
Staff welfare expenses	90	54
<b>Total Employee Benefits Expenses</b>	<b>1,376</b>	<b>1,200</b>

## 21 FINANCE COSTS

₹ Lakhs

<b>Description</b>	<b>Year Ended 31 March, 2017</b>	<b>Year Ended 31 March, 2016</b>
Interest expense		
- On Borrowings	267	220
- Others	11	4
<b>Total Finance Costs</b>	<b>278</b>	<b>224</b>

## 22 OTHER EXPENSES

₹ Lakhs

<b>Description</b>	<b>Year Ended 31 March, 2017</b>	<b>Year Ended 31 March, 2016</b>
Power and fuel	34	34
Rent (Refer Note 33)	105	93
Repairs & Maintenance		
- Buildings	96	86
- Others	36	33
Insurance	30	25
Rates and Taxes	10	10
Travelling and Conveyance	181	167
Professional Charges	283	270
Information Systems expenses	637	597
Advertisement and Sales Promotion	33	118
Directors' Sitting Fees	9	8
Executive Chairman's Commission	104	93
Auditors' Remuneration		
- statutory audit	14	13
- tax audit	1	1
- other services	12	11
Loss on Property, Plant and Equipment sold/scrapped/written off	65	-
Donation	72	112

Administrative Expenses	80	83
Miscellaneous Expenses	2	2
<b>Total Other Expenses</b>	<b>1,804</b>	<b>1,756</b>

## 23.1 EXPENDITURE IN FOREIGN CURRENCY

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Professional and consultation fees	45	29
Travel	22	19
	<b>67</b>	<b>48</b>

## 23.2 INCOME IN FOREIGN CURRENCY

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Sale of equity shares in associate (Refer note 11.2)	4,350	-
	<b>4,350</b>	<b>-</b>

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

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
<b>Currency</b>		
<b>Interim Dividend</b>		
Number of Shareholders	1	1
Number of Shares held	5,41,125	5,41,125
Amount paid as Interim Dividend (₹ Lakhs)	19	54
Year for which dividend is remitted	2016-17	2015-16
<b>Final Dividend</b>		
Number of Shareholders	-	1

Number of Shares held	-	5,41,125
Amount paid as Final Dividend (₹ Lakhs)	-	41
Year for which dividend is remitted	-	2014-15

## 25 CONTINGENT LIABILITIES AND COMMITMENTS

₹ Lakhs		
Description	As at 31 March, 2017	As at 31 March, 2016
<b>25.1 Contingent Liabilities to the extent not provided for</b>		
Disputed demands under appeal (Refer below)	1,572	1,736
<b>Income Tax Act - Assessment Year (AY)</b>		
2005-2006*	72	72
2008-2009*	450	450
2009-2010*	108	108
2010-2011*	-	217
2011-2012*	741	741
2012-2013	111	111
2013-2014	16	29
2014-2015	66	-
	<b>1,564</b>	<b>1,728</b>
<b>Less: Deposits made under protest</b>	(294)	(332)
<b>Net Amount</b>	<b>1,270</b>	<b>1,396</b>
* includes the following deposits		
AY 2011-2012 - ₹ 200 Lakhs (₹ 200 Lakhs)		
AY 2010-2011 - Nil (₹ 38 Lakhs)		
AY 2009-2010 - ₹ 14 Lakhs (₹ 14 Lakhs)		
AY 2008-2009 - ₹ 30 Lakhs (₹ 30 Lakhs)		
AY 2005-2006 - ₹ 50 Lakhs (₹ 50 Lakhs)		
Service Tax **	2	2
Customs Duty	6	6
** ₹ 1.58 Lakhs (₹ 1.58 Lakhs) paid as pre deposit		
Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.		
<b>25.2 Commitments</b>		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for	347	71
ii. Uncalled liability on investment in Auto Tech I, L.P for USD 5 Million over 5 years	3,240	-

- 26** 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 had filed a writ petition and obtained a stay order from the Honourable High Court of Judicature at Madras.

- 27 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, 2017 and 31 March, 2016.

## 28 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 ₹ 74.30 Lakhs (₹ 61.72 Lakhs) towards Provident Fund and Pension Fund contributions and ₹ 25.93 Lakhs (₹ 22.22 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	
Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016
<b>Components of employer expense</b>		
Current service cost	24	20
Interest cost	28	24
Expected return on plan assets	(28)	(25)
Actuarial losses/(gains)	(5)	7
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>19</b>	<b>26</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(2)	(6)
Actual contributions	17	64
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	396	351
Fair value of plan assets	382	338
Funded status [Surplus / (Deficit)]	(14)	(13)
Unrecognised past service costs	-	-
<b>Net liability recognised in the Balance Sheet</b>	<b>(14)</b>	<b>(13)</b>
<b>Change in Defined Benefit Obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	351	306
Current service cost	24	20
Interest cost	28	24
Actuarial (gains) / losses	(4)	7
Past service cost	-	-
Benefits paid	(2)	(6)
<b>Present value of DBO at the end of the year</b>	<b>396</b>	<b>351</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	338	255
Expected return on plan assets	28	25
Actual company contributions	17	64
Actuarial gain / (loss)	1	-
Benefits paid	(2)	(6)
<b>Plan assets at the end of the year</b>	<b>382</b>	<b>338</b>
<b>Actuarial assumptions</b>		
Discount rate	7.30%	7.80%
Expected return on plan assets	8.00%	8.00%
Salary escalation	7.00%	8.00%

Attrition	2.00%	4.00%
Mortality rate	IAL(2006-08)	IAL(2006-08)

₹ Lakhs

Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016	Year Ended 31 March, 2015	Year Ended 31 March, 2014	Year Ended 31 March, 2013
<b>Experience Adjustments</b>					
Present Value of Obligation	396	351	306	238	219
Plan Assets	382	338	255	220	205
Surplus / (Deficit)	(14)	(13)	(51)	(18)	(14)
Experience Adjustments on Plan liabilities- (loss)/gain	4	(7)	(14)	(3)	(17)
Experience Adjustments on Plan assets- (loss)/gain	1	-	(1)	(1)	-
<b>Enterprises' best estimate of contribution during the next year</b>	<b>14</b>	<b>13</b>	<b>51</b>	<b>18</b>	<b>14</b>
<b>Actual Return on Plan Assets</b>					
Expected return on plan assets	28	25			
Actuarial gain (loss) on plan assets	(1)	-			
Actual return on plan assets	27	25			

**Notes:**

- (i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- (ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- (iii) The entire Plan Assets are managed by Life Insurance Corporation of India (LIC). The data on Plan Assets has not been furnished by LIC.
- (iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report.

**(iii) Compensated absences**

Principal actuarial assumptions as at the balance sheet date

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

**Notes**

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

**29 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".

### 30 RELATED PARTY TRANSACTIONS

#### Details of related parties:

Description of relationship	Names of related parties 2016-17	Names of related parties 2015-16
<b>Subsidiaries</b>	Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane Holdings America Inc. Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecast Inc. (RPDC) Rane Holdings Europe GmbH (w.e.f. 21 March, 2017) (Refer note 11.1)	Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane Holdings America Inc. Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecast Inc. (RPDC) Not applicable
<b>Joint Ventures</b>	Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited JMA Rane Marketing Limited	Rane TRW Steering Systems Private Limited Rane NSK Steering Systems Private Limited JMA Rane Marketing Limited
<b>Associate</b>	SasMos HET Technologies Limited (Ceases to be an associate from 16 March, 2017)	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 Savithur Enterprises Private Limited HL Hill Station Properties Private Limited RT Automotive Systems Private Limited	Rane Foundation Savithur Enterprises Private Limited HL Hill Station Properties Private Limited RT Automotive Systems Private Limited

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

## Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017

₹ in Lakhs

	Fee for Services rendered	Trade Mark / Group Association	Dividend Received	Interest Income	Donation Paid	Loans Given	Loans Repaid	Rent Paid	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Contractually Reimbursable of Expenses	Others (Reimbursement of Expenses)
<b>Subsidiaries</b>													
Rane (Madras) Limited	748 (758)	463 (398)	174 (588)	-	-	-	-	-	-	-	-	-	1 (10)
Rane Engine Valve Limited	429 (487)	177 (171)	- (86)	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	395 (426)	243 (223)	219 (620)	-	-	-	-	-	-	-	-	-	-
Rane Precision Diecast Inc. (RPDC)	30 -	- -	- -	-	-	-	-	-	-	-	-	-	-
<b>Balances receivable at the end of the year</b>													
Rane (Madras) Limited	166 (99)	173 (126)	-	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	84 (50)	56 (55)	-	-	-	-	-	-	-	-	-	-	(1)
Rane Brake Lining Limited	-	2 (0)	-	-	-	-	-	-	-	-	-	-	-
Rane Precision Diecast Inc. (RPDC)	30 -	- -	-	-	-	-	-	-	-	-	-	-	-
<b>Balance payable at the end of the year</b>													
Rane Brake Lining Limited	14 (10)	- -	- -	-	-	-	-	-	-	-	-	-	-
<b>Joint Ventures</b>													
Rane TRW Steering Systems Private Limited	581 (596)	834 (686)	874 (874)	-	-	-	-	-	-	-	-	-	1 (1)
Rane NSK Steering Systems Private Limited	498 (509)	1,000 (767)	350 (219)	-	-	-	-	-	-	-	-	-	(1)
JMA Rane Marketing Limited	-	-	22 (22)	-	-	-	-	-	-	-	-	-	-
<b>Balances receivable at the end of the year</b>													
Rane TRW Steering Systems Private Limited	-	9 (0)	-	-	-	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	49 -	-	-	-	-	-	-	-	-	-	-	-

₹ in Lakhs

	Trade Mark Fee for Services rendered	Group / Association	Dividend Received	Interest Income	Donation Paid	Loans Given	Loans Repaid	Rent Paid	Salary and Other Perquisites	Commission	Board and Committee Meetings	Contractually Reimbursable of Expenses	Others (Reimbursement of Expenses)
<b>Balances payable at the end of the year</b>													
Rane TRW Steering Systems Private Limited	24 (16)	-	-	-	-	-	-	-	-	-	-	-	0
Rane NSK Steering Systems Private Limited	14 (11)	-	-	-	-	-	-	-	-	-	-	-	-
<b>Associates</b>													
SasMos HET Technologies Limited	23 (18)	18 (18)	52 (18)	- (21)	-	-	- (200)	-	-	-	-	-	16
<b>Balances receivable at the end of the year</b>													
SasMos HET Technologies Limited	7 (6)	8 (14)	- (14)	- (7)	-	-	-	-	-	-	-	-	17
<b>Key Management Personnel (KMP)</b>													
Mr. L Lakshman	-	-	-	-	-	-	-	-	113 (93)	104 (93)	-	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	-	126 (116)	-	-	-	-
<b>Balance payable at the end of the year</b>													
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	104 (93)	-	-	-
<b>Relatives of Key Management Personnel (KMP)</b>													
Mr. Harish Lakshman	-	-	-	-	-	-	-	*4	-	-	2 (1)	-	-
Enterprise in which KMP / Relatives of KMP can exercise significant influence													
Rane Foundation	-	-	-	-	50 (50)	-	-	-	-	-	-	-	- (4)

**Note:**

Figures in bracket relates to the previous year

\*Rental deposit paid to Mr. Harish Lakshman - ₹ 6.60 Lakhs and the same has been repaid during the year.

### 31 DISCLOSURE REQUIRED BY REGULATION 34(3) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2016. (TO THE EXTENT APPLICABLE)

₹ Lakhs

Particulars	Amount outstanding as at 31 March, 2017	Amount outstanding as at 31 March, 2016	Maximum outstanding during 2016-2017	Maximum outstanding during 2015-2016
<b>Associate</b>				
<b>SasMos HET Technologies Limited</b>				
Loan	-	-	-	200
Interest	-	7	-	7
<b>Rane Foundation</b>				
Loan	-	-	-	25

### 32 INFORMATION ON JOINT VENTURE ENTITIES

The particulars of the Company's Joint Venture Entities as at 31 March, 2017 including percentage holding and its proportionate share of assets, liabilities,

income and expenditure of the Joint Ventures are given below:-

₹ Lakhs

S No.	Name of the Joint Venture	% of Holding	As at 31 March, 2017				2016-2017	
			Assets	Liabilities	Contingent Liabilities	Capital Commitments	Income	Expenses
1	Rane TRW Steering Systems Private Limited	50%	25,628	25,628	2,289	1,961	43,378	39,877
		50%	(20,872)	(20,872)	(2,048)	(920)	(35,799)	(33,117)
2	Rane NSK Steering Systems Private Limited	49%	24,098	24,098	447	506	49,254	44,828
		49%	(19,955)	(19,955)	(463)	(610)	(37,726)	(35,099)
3	JMA Rane Marketing Limited	49%	1,512	1,512	-	-	3,289	3,154
		49%	(1,434)	(1,434)	-	-	(3,001)	(2,885)

#### Notes:

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

### 33 OPERATING LEASES

₹ Lakhs

Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016
<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	27	23
Future minimum lease payments		
- not later than one year	16	21
- later than one year and not later than five years	7	16
- later than five years		
Office Equipments and Cars are taken on lease for a period ranging from one year to five years and are renewable at the option of the Company.		
Lease Rental debited to the Statement of Profit and Loss	181	164
Future minimum lease payments		
- not later than one year	168	172
- later than one year and not later than five years	283	412
- later than five years		-

**34 EARNINGS PER SHARE**

Particulars	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Profit After Tax (₹ in Lakhs)	4,986	3,565
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹ 10/- each - Basic & Diluted	34.92	24.97

**35** The Company did not have any unhedged Foreign currency exposure as at 31 March, 2017 and 31 March 2016. The company did not have any derivatives.

**36 AMOUNT SPENT ON CSR ACTIVITIES:**

(i) Gross amount required to be spent by the Company during the year is ₹ 69.70 Lakhs (₹ 62.84 Lakhs)

(ii) Amount spent during the year on revenue expenditure is ₹ 69.70 Lakhs (₹ 62.91 Lakhs)

**37** Details of Specified Bank Notes held & transacted during the period 8 November 2016 to 30 December, 2016, pursuant to the requirement of notification G.S.R 308 E dated 30 March, 2017

Amount in ₹

Particulars	Specified Bank Notes	Other Denomination Notes	Total
<b>Closing cash on hand as on 8 November, 2016</b>	37,500	33,221	70,721
Add: Permitted Receipts	11,500	5,12,609	5,24,109
Less: Permitted Payments	-	4,21,092	4,21,092
Less: Deposits with Bank	49,000	-	49,000
<b>Closing cash on hand as on 30 December, 2016</b>	<b>-</b>	<b>124,738</b>	<b>124,738</b>

**38 PREVIOUS YEAR'S FIGURE**

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

**Signature to notes 1 to 38**

For and on behalf of the Board

L Ganesh  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Independent Auditor's 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") its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2017, 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 Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and its jointly controlled entities 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. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated 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. 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 other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associate and jointly controlled entities referred to in the Other Matters paragraph below, 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, its associate and jointly controlled entities as at March 31, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

- (a) We did not audit the financial statements of four subsidiaries, and two jointly controlled entities, whose financial statements reflect total assets of ₹ 94,396.29 Lakhs as at March 31, 2017, total revenues of ₹ 1,59,800.36 Lakhs and net cash inflows amounting to ₹ 1,911.33 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entities is based solely on the reports of the other auditors.

- (b) We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of ₹ 2,119.92 Lakhs as at March 31, 2017, total revenues of Nil and net cash inflows amounting to ₹ 263.47 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 ₹ 294.06 Lakhs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

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

#### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated 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 prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and jointly controlled

companies incorporated in India, none of the directors of the Group companies, its associate company and jointly controlled companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary company's and jointly controlled company's incorporated in India, internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entities.

The Group and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.

- ii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled companies incorporated in India.
- iii. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 08, 2016 of the Ministry of Finance, during the period from November 08, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us and other auditors by the Management of the respective Group entities.

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

**Geetha Suryanarayanan**  
Partner  
(Membership No.: 29519)

Chennai, May 26, 2017

## ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **RANE HOLDINGS LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary companies, and its jointly controlled companies, which are companies incorporated in India, as of that date.

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

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

#### **Auditors’ Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that

a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and jointly controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiaries companies and jointly controlled companies, which are companies incorporated in India.

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

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

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

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

#### **Opinion**

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the other matters paragraph below, the Holding Company, its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respects,

an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on "the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

#### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies and 2 jointly

controlled companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For **Deloitte Haskins & Sells**

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

**Geetha Suryanarayanan**

Partner  
(Membership No.: 29519)

Chennai, May 26, 2017

# Consolidated Balance Sheet

as at 31 March, 2017

₹ Lakhs

Particulars	Note No	As at 31 March, 2017	As at 31 March, 2016
<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	70,772	57,648
Minority Interest		23,619	19,090
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	23,168	24,832
(b) Deferred tax liabilities (Net)	6	2,563	2,004
(c) Other Long-term liabilities	7	108	107
(d) Long-term provisions	8	314	360
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	9	28,319	26,498
(b) Trade payables			
i. Dues of micro enterprises and small enterprises	10.1	1,793	1,388
ii. Dues of creditors other than micro enterprises and small enterprises	10	41,888	35,893
(c) Other current liabilities	11	15,142	17,719
(d) Short-term provisions	12	3,022	2,658
<b>Total</b>		<b>212,136</b>	<b>189,625</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed Assets			
(i) Property, Plant and Equipment (Tangible assets)	13	91,123	88,697
(ii) Capital work-in-progress		4,315	2,088
(iii) Intangible assets	13	421	385
(b) Goodwill on Consolidation		9,102	8,896
(c) Non-current investments	14	97	1,947
(d) Deferred tax assets (net)	15	129	686
(e) Long term loans and advances	16	9,293	6,970
(f) Other non-current assets	17	881	46
<b>(2) Current assets</b>			
(a) Current investments	18	5,373	876
(b) Inventories	19	30,409	26,235
(c) Trade receivables	20	48,472	42,848
(d) Cash and bank balances	21	3,854	1,510
(e) Short-term loans and advances	22	7,016	6,926
(f) Other current assets	23	1,651	1,515
<b>Total</b>		<b>212,136</b>	<b>189,625</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  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2017

₹ Lakhs

Particulars	Note No	Year ended 31 March, 2017	Year ended 31 March, 2016
<b>I. Revenue from operations (Gross)</b>		3,16,455	2,58,292
Less: Excise Duty		19,362	17,580
<b>Revenue from operations (Net)</b>	24	<b>2,97,093</b>	<b>2,40,712</b>
<b>II. Other Income</b>	25	5,841	2,418
<b>III. Total Revenue (I + II)</b>		<b>3,02,934</b>	<b>2,43,130</b>
<b>IV. Expenses:-</b>			
Cost of materials consumed	26	1,65,791	1,35,289
Purchase of Stock-in-Trade (Traded goods)	27	1,990	1,834
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	28	(1,604)	(1,827)
Employee benefits expense	29	42,616	34,651
Finance costs	30	4,954	4,493
Depreciation and amortization expense	13	13,778	11,384
Other expenses	31	57,352	47,713
<b>Total Expenses</b>		<b>2,84,877</b>	<b>2,33,537</b>
V. Profit before exceptional items and tax (III - IV)		18,057	9,593
VI. Exceptional Items (Refer Note 36)		7,549	1,336
<b>VII. Profit before tax (V + VI)</b>		<b>25,606</b>	<b>10,929</b>
VIII. Tax expense:			
(1) Current tax expense		4,495	2,567
(2) MAT Credit		(410)	(275)
(3) Additional provision for tax relating to prior years		12	(6)
(4) Share of Joint ventures		2,116	1,311
<b>Net current tax expense</b>		<b>6,213</b>	<b>3,597</b>
(5) Deferred tax		653	(635)
(6) Share of Joint ventures		472	199
<b>Net tax expense</b>		<b>7,338</b>	<b>3,161</b>
<b>IX. Profit after tax before share of Profit/(Loss) of associate and minority interest (VII - VIII)</b>		<b>18,268</b>	<b>7,768</b>
X. Share of Profit of associate		294	112
XI. Minority Interest		4,880	1,326
<b>XII. Profit for the year (IX + X - XI)</b>		<b>13,682</b>	<b>6,554</b>
XIII. Earning per equity share (of ₹ 10 each):	41		
(1) Basic (in ₹)		96	46
(2) Diluted (in ₹)		96	46

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  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Cash Flow Statement

for the year ended 31 March, 2017

₹ Lakhs

Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
<b>A. Cash flow from operating activities</b>				
Net Profit before extraordinary items, tax, share of profit/(loss) of associates and minority interest		25,606		10,929
Adjustments for:				
Depreciation and amortisation	13,778		11,384	
Profit on sale of assets	(75)		(41)	
Loss on sale of assets / Assets written off	641		169	
Profit on sale of investment	(2,255)		-	
Finance costs	4,954		4,493	
Stock Written off	-		29	
Interest income	(213)		(190)	
Dividend income	(153)		(66)	
Provision for Doubtful Debts / Advances	260		96	
Liability no longer required written back	(155)		(254)	
Unrealised exchange loss (Net)	118		160	
Provision for warranty	-		(56)	
Exceptional Items	(9,401)		(2,754)	
Translation (gain)/loss on Fixed Asset	96		164	
Foreign Currency translation reserve	161		3	
		7,756		13,137
Operating profit before working capital changes		<b>33,362</b>		<b>24,066</b>
<b>Changes in working capital</b>				
Adjustments for (increase) / decrease in operating assets and liabilities:				
Increase/(Decrease) in long-term provisions	(46)		(2,063)	
Increase/(Decrease) in short-term borrowings	1,614		560	
Increase/(Decrease) in Trade payables	6,631		4,876	
Increase/(Decrease) in other current liabilities	623		1,344	
Increase/(Decrease) in other long term liabilities	1		(14)	
Increase/(Decrease) in short-term provisions	363		205	
(Increase)/Decrease in Inventories	(4,152)		(1,961)	
(Increase)/Decrease in Trade receivables	(6,069)		(4,152)	
(Increase)/Decrease in short-terms loans and advances	(27)		(499)	
(Increase)/Decrease in long-term loans and advances	(949)		(412)	
(Increase)/Decrease in other assets (current & non current)	(1,029)		(496)	
(Increase)/Decrease in cash balance not considered as cash and cash equivalents	89		(18)	
		(2,951)		(2,630)
Cash generated from operations		30,411		21,436
Net income tax (paid) / refunds		(6,331)		(4,075)
<b>Net cash flow from operating activities (A)</b>		<b>24,080</b>		<b>17,361</b>

₹ Lakhs

Particulars	Year ended 31 March, 2017		Year ended 31 March, 2016	
<b>B. Cash flow from investing activities</b>				
Capital expenditure on fixed assets, including capital advances	(19,923)		(18,848)	
Proceeds from sale of fixed assets	9,964		2,931	
Proceeds from sale of non-current investments	4,350			
Purchase of long-term investments	(2)		(7)	
Dividend income				
Associates				
Others	153		66	
Interest income	218		184	
<b>Net cash flow from investing activities (B)</b>		<b>(5,240)</b>		<b>(15,674)</b>
<b>C. Cash flow from financing activities</b>				
Long term borrowings taken / (repaid)	(5,633)		7,296	
Dividends paid (including taxes)	(1,288)		(4,734)	
Interest paid	(5,009)		(4,566)	
<b>Net cash flow from financing activities (C)</b>		<b>(11,930)</b>		<b>(2,004)</b>
<b>Net increase / (decrease) in Cash and cash equivalents (A+B+C)</b>		<b>6,910</b>		<b>(317)</b>
Cash and cash equivalents at the beginning of the year		1,510		1,331
Add: Current Investments		876		1,355
Less: Unpaid Dividend Accounts		84		88
Less: Bank deposit with maturity more than 3 months but less than 12 months		190		149
Less: Others		15		35
<b>Adjusted Cash and cash equivalents at the beginning of the year</b>		<b>2,097</b>		<b>2,414</b>
Cash and cash equivalents at the end of the year		3,854		1,510
Add: Current Investments		5,373		876
Less: Unpaid Dividend and Unpaid Interest Warrant Accounts		103		84
Less: Bank deposit with maturity more than 3 months but less than 12 months		102		190
Less: Others		15		15
<b>Adjusted Cash and cash equivalents at the end of the year</b>		<b>9,007</b>		<b>2,097</b>
<b>Net Increase / (Decrease)</b>		<b>6,910</b>		<b>(317)</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  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

# Notes forming part of the consolidated financial statements

for the year ended 31 March, 2017

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

## 2 Significant Accounting Policies

### 2.1 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 associate.

The Financial statements of the Subsidiaries, Joint Ventures and Associate used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March, 2017.

The Financial statements of the Company, its Subsidiaries, Joint Ventures and Investments in Associate company are consolidated in accordance with Accounting Standard 21 (AS21) "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 unrealized profits or losses have been eliminated to the extent of Group's share in the entity.

Investment in associate company is 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 associate.

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 recognized 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, 2017	As at 31 March, 2016	As at 31 March, 2017	As at 31 March, 2016
<b>Subsidiaries</b>				
Rane (Madras) Limited - (RML)	59,18,156	59,16,272	56%	56%
Rane Engine Valve Limited - (REVL)	34,31,054	34,31,054	51%	51%
Rane Brake Lining Limited - (RBL) - refer note (a) below	36,48,311	36,48,311	46%	46%
Rane Holdings America Inc.*	20,000	20,000	100%	100%
Mainsee 1038, VV GbmH (Rane Holdings Europe GmbH)* @	25,000	-	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	3,60,003	3,60,003	49%	49%
<b>Associate</b>				
SasMos HET Technologies Limited (SasMos)**	-	6,11,399	-	45%

\* Companies incorporated outside India

@ The Company has established a Wholly Owned Subsidiary (WOS) in Germany through acquisition of 100% Equity shares of Mainsee 1038. VV GmbH during the year, and in the process of changing the name of this WOS from Mainsee 1038. VV GmbH to Rane Holdings Europe GmbH.

\*\* SasMos is the holding company of Fokker Elmo SasMos Interconnection Systems Limited having 51% of voting power. During the year the Company has divested its entire holding of 6,11,399, equity shares of ₹10/- each fully paid up of M/s SasMos HET Technologies Limited.

a) 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.

## 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 associate 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"). 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 46.

## 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 amount of 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. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty. 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 Property, Plant and Equipment and Intangible 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 certain categories of assets, in whose case, the life of the assets has been assessed 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.

Property, Plant and Equipment	Useful life (years)
Buildings (Refer Note 2.7.1)	30
Vehicles	5
Furniture and Fittings	5
Office Equipment (other than computers)	3
Capital tooling	3
Tools and Jigs	5
<b>In respect of Rane Precision Die Casting Inc. (RPDC) (Step-down subsidiary of RML):</b>	
Machinery & equipment	8-9
Molds	3-4
Vehicles	4-5
Computers	4-5

**Intangible Assets are amortized over their estimated useful life as follows:**

Property, Plant and Equipment	Useful life (years)
<b>Intangible Assets</b>	<b>Useful life (years)</b>
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 one fully depreciated in the year of acquisition.

Note 2.7.1 - During the year useful life of buildings of parent company (Rane Holdings Ltd) has been revised from 60 years to 30 years after considering the following aspects:

- High Frequency of usage
- Increase in repair & maintenance charges and replacement
- Modification to the aesthetic structure of the buildings for expansion and other purposes. The Company has calculated depreciation effective from April 01, 2016 adopting revised useful life of 30 years for both office and residential building. The incremental depreciation on account of the above revision, for the year ended 31 March, 2017 is ₹ 25.76 Lakhs.

## 2.8 Revenue recognition

### 2.8.1 Sales

Revenue is recognized 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 recognized 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 recognized when the right to receive it is established.

## 2.9 Fixed Assets (Property, Plant and Equipment and Intangible assets)

### 2.9.1 Property, Plant and Equipment

Property, Plant and Equipment (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 and adjustments for exchange differences to 2.10 below.

Subsequent expenditure related to an item of Property, Plant and Equipment 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 capitalized as part of Property, Plant and Equipment.

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 Property, Plant and Equipment 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 Property, Plant and Equipment 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 recognized in the 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 recognized 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 amortized 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.

In respect of overseas subsidiaries:

All the assets and liabilities, both monetary and non-monetary items, are translated into the reporting currency at the exchange rate in effect at March 31, 2017 and income and expense items are translated at the average rate applicable for the year ended March 31, 2017. Functional currency of the Companies are the United States Dollar ("USD") [RHA and RPDC] and "EURO" [Mainsee 1038, VV GbmH (Rane Holdings Europe GmbH)] and the reporting currency, the Indian Rupee (INR).

**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 super annuation 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 recognized as expense as and when due.

## **2.13.2 Defined benefit plans**

### **Gratuity**

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.

### **In respect of RPDC:**

#### **a) Pension plan**

The Company provides for post-retirement benefit, disability and death benefits ('the Plan') vide Precision Die Casting Union Retirement Plan which covers eligible employees with a date of hire before October 11, 2010, except for the employees in the categories as defined under Section 2.2 (2) of the Plan document, who are eligible to participate in the Plan upon meeting the following eligibility requirement: completion of one hour of service with the Company and provided that he/she was a union employee covered by local No. 2407 of United Auto Workers.

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:

- \$23:00 multiplied by years of benefit service from December 2003 to October 10, 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- \$25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- \$26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- \$16:00 multiplied by benefit service after December 16, 2010.

### **Disability benefit:**

The benefit will be payable in the form of a lifetime pension until the earliest of: recovery, death or normal retirement date.

### **Death benefit:**

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year.

The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. The Company contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. The Company recognizes the net obligation of the Plan in the balance sheet as an asset or liability, respectively, in accordance with Accounting Standard 15, "Employee benefits". The Company's overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investments trends of present and expected assets in the Plan. The discount rate is based on the Government securities yield or equivalent corporate bond. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

## **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. In respect of one of the Joint Venture Companies, JMA Rane, has leased facilities under cancellable lease arrangements with

a lease term ranging from one year to three years, which are subject to renewals at mutual consents thereafter. The cancellable arrangements can be terminated by either party after giving due notices. JMA Rane does not have any non cancellable lease arrangements.

## 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 recognized as an asset in the 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 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 recognized 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 recognized 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 / utilizing 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.

## 2.27 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 3 SHARE CAPITAL

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
(a) Authorised:		
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) Issued, Subscribed and Fully Paid Up:-		
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 Associate. 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. There are no restrictions attached to the equity shares.

**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, 2017		As at 31 March, 2016	
	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. Sundaram Mutual Fund A/c Sundaram Smile Fund	7,54,113	5.28%	8,00,308	5.61%

**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

Description	As at 31 March, 2017	As at 31 March, 2016
a. Capital Subsidy	113	113
b. Export Incentive Reserve	19	19
c. Capital Profit Reserve	99	99
d. Capital Redemption Reserve (Refer Note 4.1)	1,067	1,067
e. Investment allowance reserve	-	36
Add: Additions/(Deletions) during the year	-	(36)
<b>Total</b>	<b>-</b>	<b>-</b>
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)	(20)
j. Securities Premium	5,908	5,908
k. Hedge Reserve account	(11)	38
Add: Additions/(Deletions) during the year	58	(49)
<b>Total</b>	<b>47</b>	<b>(11)</b>
l. Foreign Currency Translation Reserve	6	5
Add: Additions/(Deletions) during the year	160	1
<b>Total</b>	<b>166</b>	<b>6</b>
m. General Reserve:		
Opening Balance	24,354	22,764
Add: Investment allowance reserve	-	36
Add: Transfer from Surplus in Statement of Profit and Loss	-	1,554
<b>Closing Balance</b>	<b>24,354</b>	<b>24,354</b>
n. Surplus in the Statement of Profit and Loss		
Opening Balance	23,196	20,034
<b>Add:-</b>		
Profit for the year	13,682	6,554
<b>Less:-</b>		
Interim Dividend @ 35% (Previous Year 100%)	500	1,428
Tax on dividend	276	410
Transferred to General reserve		1,554
<b>Net surplus in the Statement of Profit and Loss</b>	<b>36,102</b>	<b>23,196</b>
<b>Total Reserves and Surplus</b>	<b>70,772</b>	<b>57,648</b>

4.1 Capital Redemption Reserve as at April 1, 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 (₹ 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 with effect from the appointed date April 1, 2009.

## 5 LONG TERM BORROWINGS

₹ Lakhs

		As at 31 March, 2017	As at 31 March, 2016
<b>5.1</b>	<b>Secured (Refer Note 5.3, 5.4 &amp; 5.5)</b>		
	Term Loans from Banks	17,780	19,422
	Term Loans from Institutions	844	2,194
	Loans from Related Parties (Refer note 37)	-	28
	Share in Joint Ventures (Refer notes 5.7 & 5.8)	4,222	2,103
	<b>Total Secured Long-Term Borrowings</b>	<b>22,846</b>	<b>23,747</b>
<b>5.2</b>	<b>Unsecured</b>		
	Long term Capital lease obligations (Refer note 33.b)	270	456
	Interest Free Sales Tax Loan (Refer note 5.6)	52	623
	Fixed Deposits (Refer note 5.5)		
	- Related Parties	-	1
	Loans from Related Parties (Refer Note 37)	-	5
	<b>Total Unsecured Long-Term Borrowings</b>	<b>322</b>	<b>1,085</b>
	<b>Total Long-Term Borrowings</b>	<b>23,168</b>	<b>24,832</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 Tumakuru Unit current assets both present and future as per applicable terms of the contract of each loan.

### 5.4 In Respect of REVL,

Term loans from banks are secured on Pari-passu basis by first charge on the Company's immovable and movable fixed assets (other than Property situated at Alandur-Chennai, Peenya and Tumakuru) both present and future. ECB loan of ₹ 166 Lakhs from HSBC Bank (Mauritius) Ltd. grouped under current maturities of long term debt.

### 5.5 In respect of RML,

#### (i) Secured

Nature of Security	Terms of Payment
ECB Loans from Standard Chartered Bank (SCB) and DBS Bank Limited (DBS) is 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.	a) SCB - ECB loan amounting to ₹ 1,680 Lakhs is repayable in 16 equal quarterly installments commencing from December 2012 along with interest at the rate of 7.95% per annum. The balance outstanding as at 31 March, 2017 is ₹ Nil (As at 31 March, 2016 - ₹ 210 Lakhs).
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly secured on the respective machinery of Diecast business.	RTSS Loan - INR Loan from Rane TRW Steering Systems Private Limited amounting to ₹ 1,000 Lakhs which is repayable in 16 equal installments commencing from September, 2013 with an interest of 9% per annum. The balance outstanding as on 31 March, 2017 is ₹ 66 Lakhs (As on 31 March, 2016 - ₹ 328 Lakhs) which is secured to the extent of ₹ 56 Lakhs on the respective machinery of Diecasting Business and unsecured to the extent of ₹ 10 Lakhs

Nature of Security	Terms of Payment
	a) HDFC Bank - INR Long Term Loan amounting ₹ 200 Lakhs is repayable in 8 quarterly Installments commencing from December 2014 with 1 Year of Moratorium along with an Interest at the rate of 10.55% per annum (Base Rate+ 125 BPS). The Balance Outstanding as at 31 March, 2017 is ₹ Nil. (As at 31 March, 2016 - ₹ 500 Lakhs).
	b) HDFC Bank - INR Long Term Loan amounting ₹ 300 Lakhs is repayable in 12 quarterly Installments commencing from January, 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.45% per annum (Base Rate+ 10 BPS). The Balance Outstanding as at 31 March, 2017 is ₹ 2,940 Lakhs. (As at 31 March, 2016 - ₹ 2,940 Lakhs).
	c) HDFC Bank - INR Long Term Loan amounting ₹ 1,500 Lakhs is repayable in 12 quarterly Installments commencing from July 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.10% per annum (3 Year MCLR + 5 BPS). The Balance Outstanding as at 31 March, 2017 is ₹ 1,500 Lakhs
	d) HDFC Bank - INR Long Term Loan amounting ₹ 1,500 Lakhs is repayable in 12 quarterly Installments commencing from December 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.10% per annum (3 Year MCLR + 5 BPS). The Balance Outstanding as at 31 March, 2017 is ₹ 890 Lakhs
	e) Kotak Mahindra Bank Ltd - INR Long Term Loan amounting ₹ 4,500 Lakhs is repayable in 16 equal quarterly Installments commencing from November 2015 with 1 Year of Moratorium period along with an Interest at the rate of 10.25% per annum (Base Rate+ 25 BPS). The Balance Outstanding as at 31 March, 2017 is ₹ 2,807 Lakhs. (As at 31 March, 2016 - ₹ 3,929 Lakhs).
	f) Canara Bank Ltd - INR Long Term Loan amounting ₹ 4,500 Lakhs is repayable in 20 equal quarterly Installments commencing from May 2016 with 1.5 Years of Moratorium period along with an Interest at the rate of 10.45% per annum (Base Rate+ 25 BPS). The Balance Outstanding as at 31 March, 2017 is ₹ 3,217 Crores. (As at 31 March, 2016 - ₹ 4,383 Lakhs).
The INR Term Loans from ING Vysya and Yes Bank is secured on a pari passu basis by a first charge created on the Company's Diecast Business's immovable properties both present and future and are also secured by hypothecation of the Company's Diecast Business'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.	g) ING Vysya Bank - INR Long Term Loan amounting to ₹ 320 Lakhs is repayable in 13 Quarterly Installments commencing from September 2014 with 6 months of Moratorium period along with a interest rate of 11.15% per annum. The Balance Outstanding as on 31 March, 2017 is ₹ 49 Lakhs (As at 31 March, 2016 - ₹ 163 Lakhs).
	h) Yes Bank Ltd - INR Long Term Loan amounting to ₹ 350 Lakhs is repayable in 17 equal quarterly installments commencing from August 2013 with 9 months Moratorium period along with a interest of 11.5% per annum. The Balance outstanding as on 31 March, 2017 is ₹ 62 Lakhs (As at 31 March, 2016 - ₹ 144 Lakhs).
Export -Import Bank of India (EXIM) is 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.	i) EXIM Bank - USD Long Term Loan amounting ₹ 16 Lakh dollars is subject to Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January, 2016 along with interest LIBOR (6 Months) +375 bps p.a payable with quarterly rests. The balance outstanding as at 31 March, 2017 is ₹ Nil. (As at 31 March, 2016 - ₹ 1,061 Lakhs).

Nature of Security	Terms of Payment
Corporate Rupee loan from ICICI Bank Ltd is secured on a first Pari Passu charge on fixed assets of the company both present and future (except Velachery property) and second Pari Passu charge on Current assets both present and future.	j) ICICI Bank - INR Long Term Loan amounting ₹ 3,000 Lakhs is repayable in 12 equal quarterly Installments commencing from January, 2016 with 3 Years of Moratorium period along with an Interest at the rate of 9.50% per annum. The Balance Outstanding as at 31 March, 2017 is ₹ 3,000 Lakhs (As at 31 March, 2016 - ₹ 3,000 Lakhs)
The USD term loan from EXIM Bank is secured against all moveable property, plant and equipment, current assets of Rane Precision Die Casting, Inc. and shares of the Company held by Rane (Madras) International Holdings B.V.	k) EXIM Bank - Foreign Currency Term Loan amounting to USD 2 Million is repayable in 12 equal quarterly Installments commencing from November 2018 with 2 Years of Moratorium period along with an Interest at the rate of USD LIBOR (6 months) per annum. The Balance Outstanding as at 31 March, 2017 is ₹ 1,296 Lakhs
The USD term loan from EXIM Bank is secured against all assets Rane (Madras) Limited	l) EXIM Bank - Foreign Currency Term Loan amounting to USD 4.8 Million is repayable in 12 equal quarterly Installments commencing from May 2019 with 2 Years of Moratorium period along with an Interest at the rate of USD LIBOR (6 months) per annum. The Balance Outstanding as at 31 March, 2017 is ₹ 1,554 Lakhs
The USD term loan from The Private Bank and Trust Company, is secured against all assets Rane Precision Diecasting Inc.	Represents the loan of Rane Precision Diecasting Inc. acquired on 17 February, 2016 with interest at the rate of 4.50 % per annum. The balance outstanding as at 31 March, 2017 is ₹ Nil (As at 31 March, 2016 - ₹ 1,090 Lakhs)
<b>(ii) Unsecured</b>	
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	RTSS Loan - INR Loan from Rane TRW Steering Systems Private Limited amounting to ₹ 1,000 Lakhs which is repayable in 16 equal installments commencing from September 2013 with an interest of 9% per annum. The balance outstanding as on 31 March, 2017 is ₹ 66 Lakhs (As on 31 March, 2016 - ₹ 328 Lakhs) which is secured to the extent of ₹ 56 Lakhs on the respective machinery of Diecasting Business and unsecured to the extend of ₹ 10 Lakhs.
Fixed Deposits	In respect of the Fixed Deposits, company has repaid all the Fixed Deposits and there are no outstanding as at 31 March, 2017 as per the original terms of acceptance of such deposits. The Company has obtained permission from Company Law Board (CLB) on 16 September, 2015 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.
Capital lease	Represents the balance of pre existing capital lease obligation of Rane Precision Diecasting Inc. acquired on 17 February, 2016 it is from the financial institution GE Capital and the future lease installments is payable till FY 2021. The Balance Outstanding as at 31 March, 2017 is ₹ 446 Lakhs ( As on 31 March, 2016 - ₹ 743 Lakhs)

**(iii) Fixed deposits**

Fixed Deposits are accepted for 2 or 3 years on cumulative/non cumulative basis

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Within one year	-	122.00
After one year and upto two years	-	1.00
After two years and upto three years	-	-
	-	<b>123.00</b>

Rate of Interest	Interest Payable Quarterly	
Cumulative/ Non-Cumulative deposit scheme	As at 31 March, 2017	As at 31 March, 2016
For 2012 Scheme		
for 2 Years	9.50% p.a.	9.50% p.a.
for 3 Years	9.50% p.a.	9.50% p.a.
For 2013 Scheme		
for 2 Years	9.50% p.a.	9.50% p.a.
for 3 Years	9.50% p.a.	9.50% p.a.

Additional interest of 0.5% p.a. is paid to employees / retired employees of Rane Group

In respect of the Fixed Deposits, company has repaid all the Fixed Deposits and there are no outstanding as at 31 March, 2017 as per the original terms of acceptance of such deposits. The company has obtained permission from Company Law Board (CLB) on 16 September, 2015 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.

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

**5.7 In respect of RNSS,**

- The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Interest rate 9.50% Fixed) - Loan availed ₹ 3,000 Lakhs is repayable in 8 equated quarterly installments of ₹ 375 Lakhs each commencing from 26 August, 2015. Interest is payable on monthly basis commenced from 26 February, 2015.
- Mizuho Corporate Bank Ltd. Mumbai (Interest rate 10% Fixed) - Loan availed ₹ 700 Lakhs is repayable in 12 equated quarterly installments of ₹ 58 Lakhs each commencing from August, 2013. Interest is payable on monthly basis commenced from 24 May, 2011.
- Mizuho Corporate Bank Ltd. Singapore (Interest rate 7.37% Fixed) - Loan availed ₹ 2,000 Lakhs is repayable in 12 equated quarterly installments of ₹ 167 Lakhs each commencing from June 2018. Interest is payable on quarterly basis commenced from 29 June, 2016.
- Mizuho Corporate Bank Ltd. Singapore (Interest rate 7.28% Fixed) - Loan availed ₹ 2,000 Lakhs is repayable in 12 equated quarterly installments of ₹ 167 Lakhs each commencing from February, 2019. Interest is payable on quarterly basis commenced from 25 February, 2017.
- Mizuho Corporate Bank Ltd. Singapore (Interest rate 7.29% Fixed) - Loan availed ₹ 2,000 Lakhs is repayable in 12 equated quarterly installments of ₹ 167 Lakhs each commencing from April 2019. Interest is payable on quarterly basis commencing from 20 April, 2017.
- Bank of Tokyo Mitsubishi UFJ Ltd. Singapore (Interest rate 7.78% Fixed for first 2 years & 7.90% Fixed for last 3 years) - Loan availed ₹ 2,000 Lakhs is repayable in 6 equated semi annual installments of ₹ 333 Lakhs each commencing from September, 2019. Interest is payable on semi annual basis commencing from 16 September, 2017.

**5.8 Foreign currency loan from banks Mizuho Corporate Bank Ltd. Singapore**

The external commercial borrowing is repayable in 12 quarterly installments after a moratorium period of 2 years from the date of draw down. Interest rate is benchmarked to 3 months LIBOR with a margin of 1%. The Company has also entered into swap agreements to fully hedge its currency from USD to INR and the interest rate from floating to fixed.

**6 DEFERRED TAX LIABILITIES (net)**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	1,716	1,407
Others	2,929	1,783
Share in Joint Ventures	1,376	878
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>6,021</b>	<b>4,068</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for Employee Benefits	277	728
Voluntary Retirement Compensation Scheme	188	300
Unabsorbed Depreciation	588	-
Others	2,057	714
Share in Joint Ventures	348	322
<b>Tax effect of items constituting deferred tax assets (B)</b>	<b>3,458</b>	<b>2,064</b>
<b>Net deferred tax liability (A)-(B)</b>	<b>2,563</b>	<b>2,004</b>

**7 OTHER LONG-TERM LIABILITIES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Termination benefit under Voluntary Retirement Scheme	15	14
Others (Refer Note 7.1)	93	93
<b>Total Other Longer Term Liabilities</b>	<b>108</b>	<b>107</b>

7.1 Others include, an amount of ₹ 89 Lakhs (₹ 89 Lakhs) payable on investment as per the agreement between TCW Renewable Energy (India) Private Limited and REVL

**8 LONG-TERM PROVISIONS**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Provision for Warranty (Refer Note 34)	314	360
<b>Total Long-Term Provisions</b>	<b>314</b>	<b>360</b>

**9 SHORT-TERM BORROWINGS**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Secured</b> (Refer note 9.1)		
Cash credit	598	675
Working Capital Loans	3,974	10,451
Short Term loan	3,527	550
Commercial Paper	4,000	4,000
Others	8,221	5,317
Share in Joint Ventures	6,450	4,897
<b>Unsecured</b>		
Working Capital Loans	1,541	600
Sales tax deferment from Government of Andhra Pradesh	8	8
<b>Total Short Term Borrowings</b>	<b>28,319</b>	<b>26,498</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 REVL,

- Short term borrowings amounting to ₹ 711 Lakhs (₹ 2,498 Lakhs) from State Bank of India are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the Company's Tumakuru Unit and also secured by first charge on land and buildings and plant and machineries of the company's Peenya Unit and Tumakuru Unit.
- Other Short term borrowings amounting to ₹ 2,816 Lakhs (₹ 3,009 Lakhs) from banks are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the Company on Pari-passu basis (other than Property situated at Peenya Unit and Tumakuru Unit).
- None of the above loans have been guaranteed by any Directors or others.

### In respect of RBL,

- Working Capital Loans, Buyers credit and PCFC, from 6 (31 March, 2016 - 6) banks, are secured on pari passu basis by way of hypothecation of all inventories, book debts and other current assets of the Company. Amount outstanding is ₹ 40,000 which is below the rounding off norms adopted by the company.
- Short term loan from banks are secured on a pari passu basis by way of hypothecation of inventories, book debts and other current assets of the Company.

### In respect of RTSS,

- HDFC and Citi Bank loan is secured by first charge on stocks and book debts on a pari passu basis.
- Working Capital Loan - Cash Credit & Demand loan Interest Rate in HDFC @ 9.1% p.a and for Citi Bank @ 9% p.a
- Working Capital Loan - HDFC packing credit interest rate @ 5% p.a and HDFC buyers Credit average interest cost @ 1.5% p.a

### In respect of RNSS,

Short term loans/ Working capital demand loan/ Bank overdraft. The interest on these borrowings ranges from 8% to 9%

## 10 TRADE PAYABLES

Description	₹ Lakhs	
	As at 31 March, 2017	As at 31 March, 2016
Acceptances	2,284	2,025
Other than Acceptances		
- dues to other than Micro Enterprises & Small Enterprises	27,907	23,556
Share in Joint Ventures	11,697	10,312
<b>Total Trade Payables</b>	<b>41,888</b>	<b>35,893</b>

**Note 10.1** - The dues of micro enterprises and small enterprises as at 31 March, 2017 and 31 March, 2016 is based on and to the extent of information received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), by the group and relied upon by the auditors.

## 11 OTHER CURRENT LIABILITIES

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Current Maturities of Long Term Borrowings</b>		
- Term loans from Banks	3,870	6,628
- Term loans from Institutions	675	506
- External Commercial Borrowings from Banks	-	210
- Loans from Related Parties (Refer Note 38)	33	131
- Fixed Deposits (Related party Nil)	-	360
- Interest Free Sales Tax Loan	106	123
- Capital lease obligations	176	287
Interest accrued but not due on borrowings	237	317
Unclaimed Dividends	102	94
Unclaimed Matured Fixed Deposits	-	2
Unclaimed interest on Fixed Deposit	-	1
Related Party (Refer Note 37)	-	47
Statutory remittances	1,551	1,586
Payable on purchase of Fixed Assets	1,347	374
Gratuity (Refer Note 38)	1,066	1,011
Others	2,919	2,436
Share in Joint Ventures	3,060	3,606
<b>Total Other Current Liabilities</b>	<b>15,142</b>	<b>17,719</b>

## 12 SHORT-TERM PROVISIONS

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>(a) Provision for employee benefits</b>		
Provision for Compensated absences	1,738	1,602
<b>(b) Others</b>		
Provision for warranty (Refer Note 34)	402	207
Share in Joint Ventures	882	849
<b>Total Short-Term Provisions</b>	<b>3,022</b>	<b>2,658</b>

## 13 PROPERTY, PLANT &amp; EQUIPMENT AND INTANGIBLE ASSETS

₹ in Lakhs													
Description	Gross Block					Accumulated Depreciation and Amortisation					Net Block		
	Effect of foreign currency exchange differences					Effect of foreign currency exchange differences							
	As at 1 April, 2016	Additions	Disposals	Other Adjustments	As at 31 March, 2017	Other Adjustments	Disposals	Other Adjustments	Transfer to General Reserve	Adjustment for Merger	As at 31 March, 2017	As at 31 Mar, 2017	As at 31 Mar, 2016
A. TANGIBLE ASSETS													
Land	11,703 (7,586)	70 (417)	1 -	- -	11,772 (11,703)	- -	- -	- -	- -	- -	- -	11,772 (11,703)	1,703 (7,586)
Land on lease	729 (57)	- -	- -	- (163)	725 (729)	103 (88)	34 (15)	- -	- -	- -	- -	588 (626)	826 (483)
Buildings	21,878 (91,06)	1,501 (2,995)	311 (223)	- -	23,068 (21,878)	4,928 (4,365)	787 (885)	187 (122)	- -	- -	- -	17,540 (16,950)	16,950 (14,740)
Plant and Machinery	13,018 (11,900)	14,973 (14,858)	3,976 (2,286)	9 (15,816)	14,098 (11,301)	72,024 (63,833)	12,090 (9,911)	2,979 (2,104)	- (51) (114)	- -	- -	8,084 (59,897)	58,094 (48,068)
Furniture and Fixtures	1,905 (1,733)	101 (250)	109 (78)	- -	1,897 (1,905)	1,392 (1,287)	188 (176)	104 (70)	- -	- -	- -	1,476 (1,392)	421 (53)
Vehicles	366 (309)	76 (73)	13 (20)	- (15)	429 (366)	227 (202)	54 (40)	12 (16)	- -	- -	- -	269 (227)	139 (107)
Office equipment	3,097 (3,109)	494 (357)	208 (430)	- (64)	3,382 (3,097)	2,425 (2,484)	420 (364)	207 (423)	- (1)	- -	- -	2,637 (2,425)	745 (625)
Total Tangible Assets	1,69,796 (1,44,315)	17,215 (22,650)	4,618 (3,039)	9 (16,048)	1,82,254 (1,69,796)	81,099 (72,259)	13,573 (11,192)	3,489 (2,736)	- (52) (114)	- -	- -	91,131 (89,697)	88,697 (72,056)
B. INTANGIBLE ASSETS													
Goodwill	162 (162)	- -	- -	- -	162 (162)	- -	- -	- -	- -	- -	- -	- -	- -
Software	266 (153)	83 (113)	- -	- -	349 (266)	155 (110)	85 (45)	- -	- -	- -	- -	109 (110)	111 (43)
Design and Drawings	98 (98)	2 -	- -	- -	100 (98)	96 (95)	1 (1)	- -	- -	- -	- -	97 (96)	3 (3)
Licenses	1274 (1190)	166 (84)	- -	- -	1430 (1,274)	147 (1,063)	59 (78)	- -	- -	- -	- -	1206 (1,147)	127 (121)
Technical Knowhow	685 (685)	- -	- -	- -	685 (685)	540 (472)	60 (68)	- -	- -	- -	- -	600 (540)	145 (213)
Total Intangible Assets	2,485 (2,288)	24 (197)	- -	- -	2,726 (2,485)	2100 (1,908)	205 (192)	- -	- -	- -	- -	2,305 (2,100)	385 (380)
Total Tangible & Intangible Assets (A+B+C)	1,72,281 (1,46,603)	17,456 (22,847)	4,618 (3,039)	9 (16,048)	1,84,980 (1,72,281)	83,199 (74,167)	13,778 (11,384)	3,489 (2,736)	- (52) (114)	- -	- -	93,436 (89,082)	89,082 (72,436)
Share in Joint Ventures (Included above):													
Tangible Assets													
Previous year												21,037 (17,781)	17,781 (14,561)
Intangible Assets												167 (246)	246 (272)
Previous year													

## 14 NON-CURRENT INVESTMENTS (at cost)

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Trade</b>		
<b>Investment in Equity instruments (fully paid up)</b>		
<b>(i) Associate Companies</b>		
Unquoted:		
SasMos HET Technologies Limited (includes Goodwill of Nil (₹ 134 Lakhs))		
Nil (6,11,399) Shares of ₹ 10 each	-	1,853
<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		
10,22,422 shares (10,22,422 Shares) of ₹ 10/- each held by subsidiaries	92	92
Clean Wind Power (Manvi) Private Limited		
43,200 Shares (24,000 Shares) of ₹ 10 each held by REVL	5	2
<b>Total Non-Current Investments</b>	<b>97</b>	<b>1,947</b>
<b>Aggregate cost of Unquoted investment</b>	<b>97</b>	<b>1,947</b>

## 15 DEFERRED TAX ASSETS (Net)

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Tax effect of items constituting deferred tax liability</b>		
On difference between book balance and tax balance of fixed assets	750	1,165
<b>Tax effect of items constituting deferred tax liability (A)</b>	<b>750</b>	<b>1,165</b>
<b>Tax effect of items constituting deferred tax assets</b>		
Provision for Employee Benefits	273	250
Provision for doubtful debts / advances	42	42
Voluntary Retirement Compensation Scheme	495	850
Unabsorbed Depreciation	-	672
Others	69	37
<b>Tax effect of items constituting deferred tax assets (B)</b>	<b>879</b>	<b>1,851</b>
<b>Net deferred tax asset (B)-(A)</b>	<b>129</b>	<b>686</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

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Unsecured, considered good (unless otherwise stated)</b>		
Capital Advances	1,107	216
Considered doubtful Capital Advances	20	-
Less: Provision for doubtful Capital Advances	(20)	-
Loans and Advances to Employees	4	14
Security Deposits	1,228	1,117
Rent Deposits	64	64
Advance Income Tax (Net of provision ₹ 26,129 Lakhs (Previous year ₹ 21,640 Lakhs))	2,313	2,650
Balances with Government authorities	1,484	630
MAT Credit Entitlement	1,839	1,243
Other Advances - Considered doubtful	-	10
Less: Provision for doubtful advances	-	(10)
Share in Joint Ventures	1,254	1,030
Share in Joint Ventures (Secured)	-	6
<b>Total of Long-Term Loans and Advances</b>	<b>9,293</b>	<b>6,970</b>

**17 OTHER NON-CURRENT ASSETS**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Long term deposits with banks with maturity period more than 12 months	14	34
Tooling cost recoverable	782	-
Others	-	12
Share in Joint Ventures	85	-
<b>Total Other Non-Current Assets</b>	<b>881</b>	<b>46</b>

**18 CURRENT INVESTMENTS (at Cost)**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Investment in Mutual Funds	5,273	876
Share in Joint Ventures	100	-
<b>Total Current Investments</b>	<b>5,373</b>	<b>876</b>
<b>Considered as cash and cash equivalents as defined in AS-3 Cash Flow Statement</b>	<b>5,373</b>	<b>876</b>

**19 INVENTORIES (at a lower of cost and Net Realisable Value)**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Raw materials and components	4,666	4,279
Raw material goods-in-transit	518	468
Work-in-progress	2,735	2,682
Finished Goods	8,167	7,166
Finished goods-in-transit	1,445	1,014
Stock in Trade (acquired for trading)	147	178
Stores and Spares	3,326	2,101
Share in Joint Ventures	9,405	8,347
<b>Total Inventories</b>	<b>30,409</b>	<b>26,235</b>

## 20 TRADE RECEIVABLES

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Unsecured-considered good</b>		
Outstanding for a period exceeding six months from the due date of payment		
Considered doubtful	619	239
Less: Provision for doubtful receivables	(619)	(239)
	-	-
Other Trade receivable	34,408	31,769
Considered doubtful	168	292
Less: Provision for doubtful receivables	(168)	(292)
	<b>34,408</b>	<b>31,769</b>
Share in Joint Ventures	14,064	11,079
<b>Total Trade Receivables</b>	<b>48,472</b>	<b>42,848</b>

## 21 CASH AND BANK BALANCES

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Cash and Cash equivalents</b>		
Cash on hand	28	27
<b>Balances with Banks</b>		
- In Current Accounts	1,480	521
- In EEFC Accounts	2	3
- In Deposits	975	250
- Bank deposit with maturity more than 3 months but less than 12 months	9	7
<b>In earmarked accounts:</b>		
Unpaid Dividend accounts	102	83
Unpaid Interest warrant accounts	0	1
Others	15	15
Share in Joint Ventures	1,243	603
<b>Total Cash and Cash Equivalents</b>	<b>3,854</b>	<b>1,510</b>
Note: 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	3,633	1,221

**22 SHORT-TERM LOANS AND ADVANCES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
<b>Unsecured, considered good unless otherwise stated</b>		
Loans and advances to employees	85	105
Balance with Government authorities		
- CENVAT credit receivable	-	32
- Value added tax receivable	16	9
- Service Tax credit receivable	-	17
- Balance with Customs and Excise	2,532	2,197
- Export Entitlements	714	522
Prepaid expenses	733	548
Other Advances	252	1,093
Suppliers Advances	402	340
Suppliers Advances - Considered doubtful	21	84
Less: Provision for doubtful advances	(21)	(84)
Share in Joint Ventures	2,282	2,063
<b>Total Short-Term Loans and Advances</b>	<b>7,016</b>	<b>6,926</b>

**23 OTHER CURRENT ASSETS**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Insurance Claims Receivable	278	289
Interest accrued and due from Associate (Refer Note 37)	-	7
Assets held for sale	79	-
Tooling cost recoverable	168	657
Export incentive receivables	660	335
Interest accrued on deposits	122	67
Others	99	137
Share in Joint Ventures	245	23
<b>Total Other Current Assets</b>	<b>1,651</b>	<b>1,515</b>

**24 REVENUE FROM OPERATIONS**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Sale of products	2,16,696	1,78,307
Less: Excise duty	19,362	17,580
Other Operating Revenue (net of excise duty) (Refer note 24.1)	4,493	4,081
Share in Joint Ventures (net of excise duty)	95,266	75,904
<b>Total Revenue from Operations</b>	<b>2,97,093</b>	<b>2,40,712</b>

**24.1 OTHER OPERATING REVENUE**

Sale of Scrap (net of excise duty)	1,604	1,521
Sale of Raw Materials (net of excise duty)	304	181
Export incentive	1,398	1,003
Other Operating Revenue	1,187	1,376
<b>Total Other Operating Revenue</b>	<b>4,493</b>	<b>4,081</b>

**25 OTHER INCOME**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Dividend from investments – Gross		
- Current Investments	147	55
Service Fees	611	620
Trade mark fees	946	752
Interest Income		
- Interest from Inter Corporate Loans	-	21
- Others	191	151
Profit on Sale of Assets	8	27
Profit on Sale of Investments	2,255	
Provision no longer required written back	144	251
Exchange Gain	-	58
Other Income	1,323	311
Share in Joint Ventures	216	172
<b>Total Other Income</b>	<b>5,841</b>	<b>2,418</b>

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**COST OF MATERIALS CONSUMED**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Opening Stock of Raw materials	4,747	4,862
Add : Purchases	1,04,344	85,860
Less : Closing Stock	5,184	4,747
Share in Joint Ventures	61,884	49,314
<b>Total Raw Materials consumed</b>	<b>1,65,791</b>	<b>1,35,289</b>

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**PURCHASE OF STOCK-IN-TRADE**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Purchase of Traded goods	595	737
Share in Joint Ventures	1,395	1,097
<b>Total Goods Purchased</b>	<b>1,990</b>	<b>1,834</b>

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

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
<b>Inventories at the beginning of the year (A)</b>		
Finished goods	8,180	7,855
Work-in-process	2,682	2,253
Stock-in-Trade	178	212
	<b>11,040</b>	<b>10,320</b>
<b>Inventories at the end of the year (B)</b>		
Finished goods	9,613	8,180
Work-in-process	2,735	2,682
Stock-in-Trade	147	178
	<b>12,495</b>	<b>11,040</b>
Share in Joint Ventures	(149)	(1,107)
<b>Total Changes in Inventories (A - B)</b>	<b>(1,604)</b>	<b>(1,827)</b>

**29 EMPLOYEE BENEFITS EXPENSE**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Salaries and wages	29,802	23,542
Staff welfare expenses	3,579	3,042
Contributions to Provident and other funds	2,223	2,070
Share in Joint Ventures	7,012	5,997
<b>Total Employee benefit expenses</b>	<b>42,616</b>	<b>34,651</b>

**30 FINANCE COSTS**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Interest expense		
- Borrowings from Banks	3,460	2,993
- Borrowings from Institutions	267	220
- Fixed Deposits	6	51
- Borrowings from related party	10	21
- Others	46	35
Other borrowing costs	435	450
Net loss on foreign currency transactions and translation (to the extent considered as finance costs)	51	101
Share in Joint Ventures	679	622
<b>Total Finance Costs</b>	<b>4,954</b>	<b>4,493</b>

## 31 OTHER EXPENSES

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Consumption of stores and spare parts	9,450	6,707
Power and Fuel	8,581	6,868
Rent	513	322
Repairs and Maintenance		
- Buildings	1,400	479
- Plant and Machinery	1,995	2,463
- Others	1,587	1,180
Insurance	717	492
Directors' Sitting Fees & Commission	204	145
Warranty (Refer note 34)	212	173
Royalty and Technical Fees	582	458
Travelling and Conveyance	2,164	1,896
Packing and Forwarding	4,247	3,764
Freight Outward	4,233	3,380
Net loss on foreign currency transactions and translation (other than considered as finance costs)	512	299
Professional Charges	2,276	2,276
Audit Fees (includes fees to subsidiaries' auditors)		
- statutory audit	67	69
- tax audit	9	8
- other services	33	30
Bad debts/Advances written off	21	43
Stocks Written off	-	29
Advertisement and Sales Promotion	855	937
Commission and Discount	4,246	4,109
Provision for Doubtful debts/Advances	288	50
Rates and Taxes	429	411
Information system Infrastructure Expenses	678	663
Other marketing expenses	-	48
Loss on Sale of Assets	284	169
Donation	153	187
Bank Charges	53	55
Administrative Expenses	277	297
Miscellaneous Expenses	1,564	1,192
Share in Joint Ventures	9,722	8,514
<b>Total Other Expenses</b>	<b>57,352</b>	<b>47,713</b>

The group has incurred an amount of ₹ 247 Lakhs (₹ 226 Lakhs) towards CSR activities during the year ended 31 March, 2017.

## 32 CONTINGENT LIABILITIES

₹ Lakhs		
Description	As at 31 March, 2017	As at 31 March, 2016
Letters of Credits & Guarantees issued by Bank	1,495	2,758
Bills discounted	352	2,984
Claims against the Group not acknowledged as debts	6,129	6,941
Share in Joint Ventures	2,736	2,510
<b>Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	3,075	2,508
Export obligation in respect of capital goods imported on payment of concessional duty	1,395	-
Uncalled liability on investment *	3,240	-
Share in Joint Ventures	2,467	1,529
<b>Other Commitments</b>		

\* Represents Uncalled liability on investment in Auto Tech I, L.P. for USD 5 Million over 5 years

## 33.a OPERATING LEASES

₹ Lakhs		
Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
The Group has operating lease agreements for office space and residential accommodation with option to renew with escalation.		
Lease Rental debited to the Statement of Profit and Loss	74	69
Future minimum lease payments		
- not later than one year	16	21
- later than one year and not later than five years	7	16
- later than five years	-	-
Office Equipments and Cars are taken on lease for a period ranging from one year to five years and are renewable at the option of the Company.		
Lease Rental debited to the Statement of Profit and Loss	279	210
Future minimum lease payments		
- not later than one year	260	215
- later than one year and not later than five years	425	469
- later than five years	-	-

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 ₹ 100 Lakhs (₹ 134 Lakhs)

## 33.b FINANCE LEASES

₹ Lakhs		
Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Represents the finance lease of Rane Precision Die Casting, Inc. Acquired through Rane (Madras) International Holdings B.V (RMIH B.V). The details of the maturity profile of future Capital lease payments are furnished below:		
a. Future minimum lease payments under Finance lease for each of the following periods:		
-Not later than one year	190	311
-Later than one year and not later than five years	280	482
-Later than five years	-	-
	<b>470</b>	<b>793</b>
Less: Future finance charges	24	50
<b>Present value of minimum lease payments</b>	<b>446</b>	<b>743</b>
b. Lease interest recognised in the Statement of Profit and Loss	25	49

**34 WARRANTIES**

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
Balance at the beginning of the year	567	495
Add: Provision made during the year	212	154
Less: Provision used against claims settled during the year	63	82
Balance at the end of the year	<b>716</b>	<b>567</b>
Share in Joint Ventures	339	402

**35 SEGMENT REPORTING**

The Company holds strategic investments in subsidiaries, joint ventures and associate (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**

₹ Lakhs

Description	Year Ended 31 March, 2017	Year Ended 31 March, 2016
Voluntary Retirement Scheme (VRS)	(1,495)	(1,418)
Profit on sale of land	9,401	2,754
Loss on sale/retirement of assets	(357)	-
	<b>7,549</b>	<b>1,336</b>

**In respect of REVL, exceptional items represents :**

- Profit on sale of company's part land in Alandur, Chennai amounts to ₹ 9,401 Lakhs (net of selling expenses of ₹ 80 Lakhs) (Previous Year ₹ 2,754 Lakhs (net of selling expenses of ₹ 21 Lakhs))
- Voluntary Retirement Scheme (VRS) expenditure in the nature of employee benefits paid to employees opted for VRS amounts to Nil (Previous Year ₹ 1,005 Lakhs)
- Loss on Sale/Retirement of assets on rationalisation of facilities amounting to ₹ 357 Lakhs (Previous Year Nil)

**In respect of RML, exceptional items represents:**

Voluntary Retirement Scheme (VRS) expenditure of Nil (Previous Year ₹ 269 Lakhs) incurred in the nature of employee benefits paid to employees opted for VRS

**In respect of RBL, exceptional items represents :**

Voluntary Retirement Scheme (VRS) expenditure of ₹ 1,471 Lakhs (Previous Year Nil) incurred in the nature of employee benefits paid to employees opted for VRS

**In respect of RTSS, exceptional item represents :**

Voluntary Retirement Scheme (VRS) expenditure of ₹ 24 Lakhs (Previous Year ₹ 104 Lakhs) incurred in the nature of employee benefits paid to employees opted for VRS

**In respect of RNSS, exceptional item represents :**

Voluntary Retirement Scheme (VRS) expenditure of Nil (Previous Year ₹ 40 Lakhs) incurred in the nature of employee benefits paid to employees opted for VRS

## 37 RELATED PARTY TRANSACTIONS

## Details of related parties:

Description of relationship	Names of related parties 2016-17	Names of related parties 2015-16
<b>Joint Ventures</b>	Rane TRW Steering Systems Pvt Limited (RTSS)	Rane TRW Steering Systems Pvt Limited (RTSS)
	Rane NSK Steering Systems Pvt Limited (RNSS)	Rane NSK Steering Systems Pvt Limited (RNSS)
	JMA Rane Marketing Limited (JMA Rane)	JMA Rane Marketing Limited (JMA Rane)
<b>Associate</b>	SasMos HET Technologies Limited (Ceases to be an associate from 16 March, 2017)	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
	Savithur Enterprises Private Limited	Savithur Enterprises Private Limited
	HL Hill Station Properties Private Limited	HL Hill Station Properties Private Limited
	RT Automotive Systems Private Limited	RT Automotive Systems Private Limited

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, 2017 and balances outstanding as at 31 March, 2017

₹ in Lakhs																				
	Fee for Services rendered	Trade Mark Fee received	Trade Mark Fee paid	Interest Income	Interest Paid	Sale of materials	Purchase of material components	Purchase of capital goods	Donation Paid	Loan taken	Loan given	Loan recovered	Loan Repaid	Rent Paid	Rent De-posit Repaid	Fixed Deposits accepted/renewed/repaid	Salary and Other Perquisites	Commission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Joint Ventures																				
Rane TRW/Steering Systems Pvt Limited	291 (298)	417 (343)	-	-	10 (21)	1,231 (1,135)	8 (3)	-	-	-	-	131 (131)	-	-	-	-	-	-	-	-
Rane NSK/Steering Systems Pvt Limited	254 (260)	510 (391)	-	-	-	-	359 (310)	-	-	-	-	-	-	-	-	-	-	-	-	-
JMA Rane Marketing Limited	-	-	-	-	-	1,928 (1,556)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances outstanding at the end of the year																				
Rane TRW/Steering Systems Pvt Limited	12 (8)	5 (10)	-	-	-	141 (166)	-	-	-	33 (164)	-	-	-	-	-	-	-	-	-	(7)
Rane NSK/Steering Systems Pvt Limited	7 (5)	25 (18)	-	-	-	-	(27) (61)	-	-	-	-	-	-	-	-	-	-	-	-	-
JMA Rane Marketing Limited	-	-	-	-	-	458 (374)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates																				
SasMos HET Technologies Limited	23 (18)	18 (18)	-	-	(21)	-	-	-	-	-	-	-	(200)	-	-	-	-	-	-	16
Balances outstanding at the end of the year																				
SasMos HET Technologies Limited	7 (6)	8 (14)	-	(5)	-	-	-	-	-	(200)	-	-	-	-	-	-	-	-	-	17

# Details of related party transactions during the year ended 31 March, 2017 and balances outstanding as at 31 March, 2017

Key Management Personnel (KMP)	Fee for Services rendered	Trade Mark Fee received	Trade Mark Fee paid	Interest Income	Interest Paid	Sale of materials	Purchase of material components	Purchase of capital goods	Donation Paid	Loan taken	Loan given	Loan recovered	Loan Repaid	Rent Paid	Rent De-posit	Rent Repaid	Fixed Deposits accepted/renewed/repaid	Salary and Other Perquisites sites	Commission mission	Sitting Fee for Board and Committee Meetings	Others (Reimbursement of Expenses)
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12	-	-	113	104	9	-
Mr. L Ganesh	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	5	142	136	7	-
Balances outstanding at the end of the year	-	-	-	-	(1)	-	-	-	-	-	-	-	-	-	-	-	(10)	(16)	(18)	(5)	-
Mr. L Lakshman	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104	-	-
Mr. L Ganesh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(93)	-	-
Relatives of Key Management Personnel (KMP)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)	-	(45)	-	-
Relatives of the KMP	-	-	-	-	2	(13)	-	-	-	-	-	-	-	4	7	7	81	196	-	6	-
Balances outstanding at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(108)	(138)	-	(2)	-
Relatives of the KMP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(75)	-	-	-	-
Company in which KMP / Relatives of KMP can exercise significant influence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rane Foundation	-	-	-	-	-	-	-	-	160	(150)	-	-	(225)	-	-	-	-	-	-	-	-
Balances outstanding at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rane Foundation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note: Figures in bracket relates to the previous year

## 38 DISCLOSURE AS PER AS 15 - EMPLOYEE BENEFITS (including subsidiaries and joint ventures)

₹ Lakhs

Description	As at 31 March, 2017	As at 31 March, 2016
The group's obligation towards the defined benefit plan of gratuity and leave encashment are as follows:-		
<b>(a) Defined Benefit Plan - Gratuity</b>		
Present value of obligation at the beginning of the year	5,122	5,075
Interest cost	378	359
Current service cost	373	376
Benefits paid	(721)	(1,000)
Actuarial (gain)/loss on obligation	290	312
Present value of obligation as at the end of the year	5,442	5,122
Fair value of plan assets at the beginning of the year	4,029	3,766
Expected return on plan assets	336	326
Contribution	706	922
Benefits paid	(723)	(1,001)
Actuarial (loss) / gain on plan assets	(17)	16
Fair value of plan assets at the end of the year	4,331	4,029
<b>Amounts recognised in the Balance Sheet</b>		
Present value of obligation as at the end of the year	5,442	5,122
Fair value of plan assets at the end of the year	4,331	4,029
<b>Funded status of the plan - liability</b>	<b>1,111</b>	<b>1,093</b>
<b>Amounts recognised in the Statement of Profit and Loss</b>		
Current service cost	373	376
Interest cost	378	359
Expected return on plan assets	(336)	(326)
Net actuarial (gain)/loss recognised in the year	307	296
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>722</b>	<b>706</b>
<b>Enterprises' best estimate of contribution during the next year</b>	<b>610</b>	<b>498</b>
<b>Principal actuarial assumptions as at Balance Sheet date</b>		
Discount rate	4.05% to 7.30%	7.75% to 8.00%
Salary escalation	4.50% to 10.00%	4.50% to 8.00%
Expected return on plan assets	7.00% to 8.25%	8.00% to 9.00%
Attrition rate	1.80% to 15.00%	1.80% to 20.00%
<b>(b) Long Term Benefits - Compensated absences</b>		
<b>Principal actuarial assumptions as at Balance Sheet date</b>		
Discount rates	7.20% to 7.30%	7.80% to 9.10%
Salary escalation	7.00% to 8.00%	4.50% to 8.00%
Attrition rate	1.80% to 2.00%	1.80% to 8.00%

## 39 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, 2017.

- (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, 2017

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	7,23,09,000	₹
JPY	Buy	(8,22,33,155)	₹

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	31 March, 2017		31 March, 2016	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	INR in Lakhs	FCY in Lakhs	INR in Lakhs	FCY in Lakhs
Loan Payable - USD	(3,953)	-\$61.00	(5,952)	-\$90
Receivables - USD	3,902	\$59	3,288	\$50
Receivables - EUR	337	€4	191	€3
Loan Payable - EUR	-	€0	(66)	-€1
Payables - USD	(991)	-\$15	(584)	-\$9
Payables - EUR	(69)	-€1	(38)	-€1
Payables - YEN	(313)	-¥542	-	¥0
Payables - GBP	-	£0	(5)	*
Advances - USD	106	\$2	47	-\$1
Advances - EUR	31	€0	59	-€1
Advances - GBP	5	£0	6	*

\*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:-

S No.	Purpose	Nature	Currency	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
				FCY in Lakhs		₹ in Lakhs	
<b>1</b>	<b>Forward Currency Swap Outstanding</b>						
	ECB Loan taken in USD 50,00,000 and swapped against INR	Cross Currency Swap	INR	-	4	-	158
	ECB Loan taken in USD 50,00,000 and swapped against INR	Cross Currency Swap	INR	3	16	166	831
<b>2</b>	Payable in USD	Currency Swap	INR	9	18	606	1,187
	Receivable in USD	Currency Swap	INR	8	9	486	596
	Receivable in EURO	Currency Swap	INR	1	1	62	90
<b>3</b>	Unhedged Foreign Currency Exposure						
a)	PCFC Loan in USD		USD	6	7	395	490
b)	Outstanding Debtors		USD		16	787	936
			EURO		1	213	112
			GBP		-	5	3

S No.	Purpose	Nature	Currency	31 March, 2017	31 March, 2016	31 March, 2017	31 March, 2016
				FCY in Lakhs		₹ in Lakhs	
	EEFC balance in USD		USD	-	2	-	1
c)	Outstanding Creditors - Goods		USD	3	3	166	218
			EURO	-	-	3	2
			GBP	-	-	-	1
			JPY	150	-	87	-
d)	Outstanding Creditors - Ex-penses		USD	-	-	7	-
			EURO	-	-	-	29

\*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 :

S.No	Particulars		31 March, 2017	31 March, 2016
<b>I</b>	<b>Foreign Currency Exposures that are directly hedged by a derivative instrument or otherwise</b>		<b>FCY in Lakhs</b>	
1	Receivables			
		GBP	1	-
2	Payables			
		EURO	*	*
		JPY	1,151	912
3	Foreign Currency Loan			
		JPY	167	298
<b>II</b>	<b>Foreign Currency Exposures that are not directly hedged by a derivative instrument or otherwise</b>			
4	Payables			
		DOLLAR	5	1
		EURO	*	*
		JPY	2	*
5	Receivables			
		DOLLAR	4	5
		GBP	*	*
		AUD	1	*

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

**Rane TRW Steering Systems Pvt 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

S No.	Currency	No. of Contracts	31 March, 2017		No. of Contracts	31 March, 2016	
			Notional amount of Forward Contracts	MTM Gain/ (Loss)		Notional amount of Forward Contracts	MTM Gain/ (Loss)
			FCY in Lakhs	₹ in Lakhs		FCY in Lakhs	₹ in Lakhs
1	USD	1	*	*	1	*	*
2	EURO	1	*	*	1	*	*

Outstanding forward exchange contracts entered into by the Company as on 31 March, 2017

Currency	Buy/Sell	31 March, 2017	31 March, 2016	Cross Currency
		₹ in Lakhs	₹ in Lakhs	
USD	Buy	391	601	₹
Euro	Buy	1,265	470	₹

Outstanding Unhedged Receivable as on :

Currency	31 March, 2017		31 March, 2016	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
USD	16,01,067	1,038	23,184	15
EUR	7,858	5	-	-
		<b>1,043</b>		<b>15</b>

Outstanding Unhedged Payable as on:

Currency	31 March, 2017		31 March, 2016	
	FCY	₹ in Lakhs	FCY	₹ in Lakhs
USD	6,97,766	458	2,01,058	134
EUR	11,03,658	776	5,75,369	431
GBP	-	-	2,319	2
JPY	1,06,558	1	45,20,915	25
RMB	-	-	3,167	0
		<b>1,234</b>		<b>593</b>

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

**In respect of Rane NSK Steering Systems Pvt Limited (RNSS)**

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

Purpose	Nature	Currency	31 March, 2017	31 March, 2016
			FCY in Lakhs	FCY in Lakhs
Hedge of Foreign currency loan	Forward contract	USD	2	1
		JPY	751	783
		THB	74	112
Hedge against exposure to variable interest	Interest rate swaps	USD	4	7
Hedge against exposure to variable interest	Interest rate swaps	USD	8	14
Hedge against exposure to variable interest	Interest rate swaps	USD	2	3

Purpose	Currency	31 March, 2017		31 March, 2016	
		FCY in Lakhs	₹ in Lakhs	FCY in Lakhs	₹ in Lakhs
Unhedged Foreign Currency Exposure					
Trade Payables	USD	2	150	3	107
Trade Payables	JPY	855	494	666	393
Trade Payables	EURO	0	3	0	31
Trade Payables	THB	140	263	114	214
Trade Receivable	USD	1	47	0	25
Trade Receivable	JPY	36	21	-	-
Advance	USD	0	21	0	5
Advance	JPY	237	137	1	1
Advance	EURO	0	3	0	20

#### 40 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
<b>Parent : Rane Holdings Limited</b>	7%	15,480	37%	4,986
<b>Subsidiaries</b>				
<b>Indian</b>				
1. Rane (Madras) Limited	37%	78,387	4%	496
2. Rane Engine Valve Limited	14%	30,224	42%	5,706
3. Rane Brake Lining Limited	13%	27,736	25%	3,471
<b>Foreign</b>				
1. Rane Holdings America Inc.	0%	33	0%	18
2. Mainsee 1038, VV GmbH	0%	17	-	-
Minority Interests in all subsidiaries	-	23,619	-36%	(4,880)
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
1. SasMos HET Technologies Limited	-	-	2%	294
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
1. Rane TRW Steering Systems Private Limited	12%	25,584	17%	2,389
2. Rane NSK Steering Systems Private Limited	11%	24,072	22%	2,978
3. JMA Rane Marketing Limited	1%	1,502	1%	84
Consolidation Adjustments	4%	8,905	-14%	(1,860)

## 41 EARNINGS PER SHARE

Particulars	Year ended 31 March, 2017	Year ended 31 March, 2016
Profit After Tax (₹ Lakhs)	13,682	6,554
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹ 10/- each - Basic & Diluted	95.83	45.90

42 During the year, the application for renewal for Consent For Operations (CFO) under the pollution control regulations in one of the manufacturing plants of REVL located in the State of Telangana has been returned by the regulatory authority citing that industries located in the specified area were not issued CFO in the light of G.O.Ms.No.111 dated 08.03.1996. However, REVL is of the opinion that this does not impact the going concern status of REVL and its future operations. REVL has examined the matter and taken appropriate action to present its case that it is neither a polluting nor a potentially polluting industry before the pollution control authorities.

43 Long Term Settlement (LTS) with the workmen unions in the case of two of REVL's plants had expired during the year and the new agreements are pending since these matters are being discussed. Hence, REVL has made suitable provisions in the financial statements based on its estimates of the expenditure. REVL believes that the provision made is sufficient to discharge the liability.

44 Details of Specified Bank Notes held & transacted during the period 8 November, 2016 to 30 December, 2016, pursuant to the requirement of notification G.S.R 308 E dated 30 March, 2017

## For Rane Holdings Limited &amp; Subsidiaries companies

Amount in ₹

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash on hand as on 8 November, 2016	17,29,000	10,86,985	28,15,985
Add: Permitted Receipts	1,82,000	64,00,603	65,82,603
Less: Permitted Payments	28,500	52,73,415	53,01,915
Less: Deposits with Bank	18,82,500	36,570	19,19,070
Closing cash on hand as on 30 December, 2016	-	21,77,603	21,77,603

## For Joint Venture companies (100% Considered)

Amount in ₹

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash on hand as on 8 November, 2016	15,42,000	10,33,479	25,75,479
Add: Permitted Receipts	1,06,500	98,57,928	99,64,428
Less: Permitted Payments	43,500	39,53,361	39,96,861
Less: Deposits with Bank	16,05,000	48,24,622	64,29,622
Closing cash on hand as on 30 December, 2016	-	21,13,424	21,13,424

45 Previous year's figure

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

Signature to notes 1 to 45

For and on behalf of the Board

L Ganesh  
Chairman & Managing Director

Place: Chennai  
Date: 26 May, 2017

J. Ananth  
Chief Financial Officer

Siva Chandrasekaran  
Secretary

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries/associate companies/joint ventures

**Part "A": Subsidiaries**

₹ In Lakhs

				\$ in Thousands		€ in Thousands	
1. Sl. No.	1	2	3	4		5	
2. Name of the subsidiary	Rane (Madras) Limited	Rane Engine Valve Limited	Rane Brake Lining Limited	Rane Holdings America Inc		Mainsee 1038, VV GbmH	
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		EURO	
				1 \$ = ₹ 64.80		1 € = ₹ 69.18	
				\$	₹	€	₹
5. Share capital	1,874	672	792	20	10	25	17.59
6. Reserves & surplus	14,440	15,328	15,903	108	73	-	-0.29
7. Total assets	78,610	30,364	27,908	148	96	25	17.30
8. Total Liabilities	62,296	14,364	11,214	20	13	-	-
9. Investments	-	60	37	-	-	-	-
10. Turnover	121,932	36,251	49,196	481	322	-	-
11. Profit before taxation	1,228	7,658	4,236	34	23	-	-
12. Provision for taxation	732	1,952	764	8	5	-	-
13. Profit after taxation	496	5,706	3,472	26	18	-	-
14. Proposed Dividend		-	-	-	-	-	-
15. % of shareholding	56.31%	51.07%	46.09%	100.00%		100.00%	

For and on behalf of the Board

**L Ganesh**

Chairman &amp; Managing Director

Chennai  
26 May, 2017

**J. Ananth**  
Chief Financial Officer

**Siva Chandrasekaran**  
Secretary

## 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		
	Rane TRW Steering Systems Private Limited	Rane NSK Steering Systems Private Limited	JMA Rane Marketing Limited
<b>1. Latest audited Balance Sheet Date</b>	<b>31 March, 2017</b>	<b>31 March, 2017</b>	<b>31 March, 2017</b>
<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
Amount of Investment in Associates/Joint Venture	2,332	1,012	36
Extent of Holding %	50.00%	49.00%	48.97%
<b>3. Description of how there is significant influence</b>	Note 1	Note 1	Note 1
<b>4. Reason why the associate/joint venture is not consolidated</b>	-	-	-
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	11,587	6,346	951
<b>6. Profit / Loss for the year</b>			
i. Considered in Consolidation	2,389	2,978	84
ii. Not Considered in Consolidation	2,389	3,100	87

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

**For and on behalf of the Board**  
**L Ganesh**  
Chairman & Managing Director

Chennai  
26 May, 2017

**J. Ananth**  
Chief Financial Officer

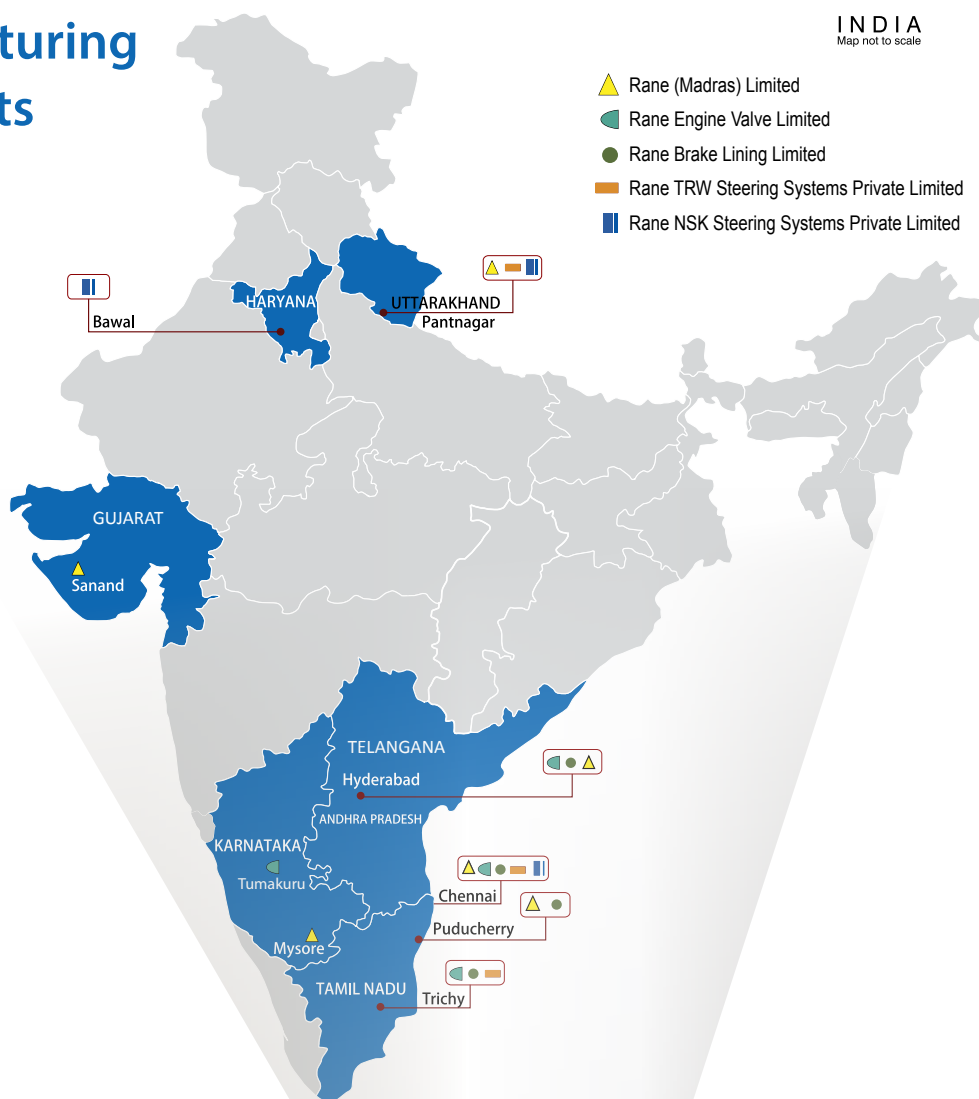
**Siva Chandrasekaran**  
Secretary



# Manufacturing Footprints

INDIA  
Map not to scale

- ▲ Rane (Madras) Limited
- ▢ Rane Engine Valve Limited
- Rane Brake Lining Limited
- ▬ Rane TRW Steering Systems Private Limited
- ▮ Rane NSK Steering Systems Private Limited





Expanding Horizons

**Rane Holdings Limited**

CIN: L35999TN1936PLC002202

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

Phone: +91 44 28112472 / 73

Fax: +91 44 28112449

[www.ranegroup.com](http://www.ranegroup.com)