Expanding Horizons

Customer at the core

Rane (Madras) Limited

14th Annual Report 2017-18

Vision

Steering and Linkage Division

To be the leader in the domestic steering business and establish global presence

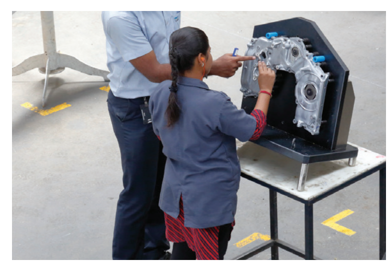
Die Casting Division

To be a globally preferred supplier of specialized precision light weight components

Our Product Portfolio

- Steering and Suspension Linkage Products
- Steering Gears
- Hydrostatic Steering Systems
- Die Casting

Contents



Corporate Overview

Management Reports

Financial Statements

Customer at the core

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

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

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

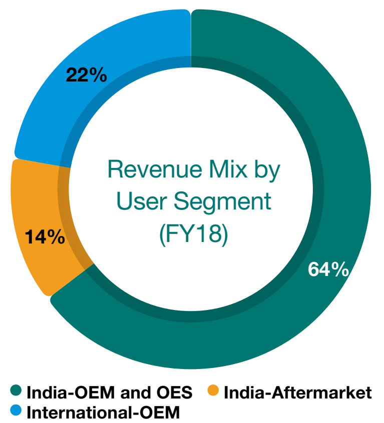
In addition, we are aggressively advancing the cause of light weighting, emission reduction and passenger safety for our customers with an aim to improve vehicular performance while addressing cost-effectiveness.

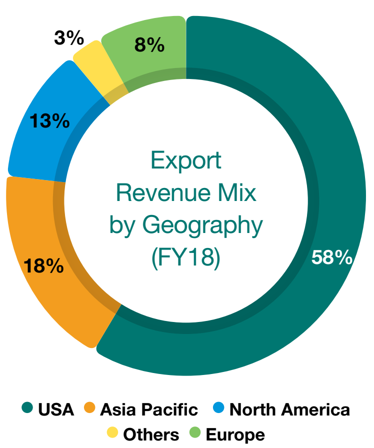
Experimenting and succeeding with an alternate material, going closer to the customer, staying lean and nimble in order to address varying batch sizes and speeds are some of the areas where Rane Group is lending a helping hand to its customers in scripting their success stories, thus, helping them in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

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

The World of Rane (Madras)

Rane (Madras) Limited (RML) was established in 1929. Our Company is a market leader in the Steering and Linkages business which manufactures manual Steering Gears Products (SGP), Hydrostatic Steering Systems (HSS) & Steering and Suspension Linkage Products (SSLP). The Company had its first manufacturing presence in 1960 with the setting up of the Steering and Linkage Division (SLD) which was followed with the setting up of manufacturing facilities for the Die Casting Division (DCD) in 2006. The Die Casting division manufactures low porosity, high-quality aluminium die-castings such as steering housings and engine case covers. In 2016, Rane Madras Limited acquired the US-based Precision Die Casting Inc and renamed it as Rane Precision Die Casting Inc. (RPDC). RPDC now supplies complex, thin-walled, low porosity, cast and machined aluminum die castings to the automotive industry from its manufacturing facility at Russellville, Kentucky, US.





Key Customers

Manufacturing Plants

Locations	Products
Varanavasi (Chennai)	SSLP, SGP
Mysuru	SSLP, SGP & HSS
Puducherry	SSLP, SGP
Uttarakhand	SSLP, SGP
Bollaram (Hyderabad)	Die Casting
Sadasivpet (Hyderabad)	Die Casting
Russellville, Kentucky (USA)	Die Casting

Quality Accreditation

ISO 27001:2013 - ISMS Certification	Information Security Management System for Steering & Linkage & Die Casting Division
TS 16949 Indian	Quality Management; All the six plants in India certified
ISO 14001	Environmental management; All the four plants of Steering and Linkage Division certified
OHSAS 18001	Occupational Health and Safety management: All the four plants of Steering and Linkage Division certified
Deming Prize	Steering and Linkage Division: Total Quality Management (TQM)
Deming Grand Prize	Steering and Linkage Division: Excellence in TQM

Standalone Financial Highlights

KEY PERFORMANCE HIGHLIGHTS

₹ in Crores

PARTICULARS	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Total Income (*)	1,217.53	992.62	862.49	779.97	727.51	641.36	673.11	585.46	420.68	353.16
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	139.49	99.38	79.70	69.67	69.16	57.84	62.98	50.39	34.84	19.25
Profit Before Tax (PBT)	60.18	26.29	18.66	16.84	19.68	30.06	37.17	30.83	20.04	1.20
Profit After Tax (PAT)	41.81	20.67	14.09	12.44	16.78	23.42	27.40	24.57	13.81	0.36
Return on Capital Employed (RoCE) %	17.83	11.88	9.90	10.61	15.83	17.28	23.70	26.90	19.05	7.54
Return on Net Worth (RoNW) %	19.12	12.76	9.46	8.71	12.41	19.11	25.65	27.14	17.99	0.50
Earnings Per Equity Share (₹)	37.61	19.66	12.77	11.20	15.35	23.04	26.95	24.18	13.59	0.36
Dividend (@) %	120.00	60.00	45.00	45.00	55.00	70.00	95.00	70.00	45.00	-
Dividend Payout ratio (@) %	40.13	36.71	40.45	45.82	40.17	35.44	40.95	33.73	38.74	-
Book Value Per Equity Share (₹)	229.53	162.65	144.98	138.43	133.41	127.97	113.20	96.99	81.12	69.94

BALANCE SHEET HIGHLIGHTS**

₹ in Crores

PARTICULARS	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	11.61	10.51	10.51	10.51	10.51	10.16	10.16	10.16
Shareholders' Funds	266.43	170.95	160.62	153.73	148.45	130.07	115.06	98.58
Non-Current Liabilities	130.37	140.05	139.67	62.97	49.90	40.79	50.19	47.61
Current Liabilities	445.69	379.53	312.66	317.33	256.27	190.23	175.78	131.65
Non-Current Assets	406.07	389.51	343.46	300.59	245.12	179.09	165.52	124.41
Current Assets	436.42	301.02	269.49	233.44	209.51	182.00	175.51	153.43

* Total Income are net of excise duty.
@ Includes final dividend, if any, recommended by the Board for the respective financial years.
** pertains to revised Schedule VI to Companies Act ,1956 / Schedule III to Companies Act, 2013 applicable years only.
Note: 1. Figures for FY 18 and FY 17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
2. EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

Business Highlights

Steering & Linkage Division (SLD)

- The Steering and Linkage business registered a good growth in all vehicle segments. The growth was supported by growth in Passenger Vehicle segment & supply for new businesses for Rack & Pinion Steering gears.
- Business had favourable growth in M&HCV segment through share of business increase in existing models and also supply for new models.
- In the Farm Tractor segment, the business, not only enhanced its market share on manual steering gears, but also made good breakthroughs in the Hydraulic business with customers and new models.

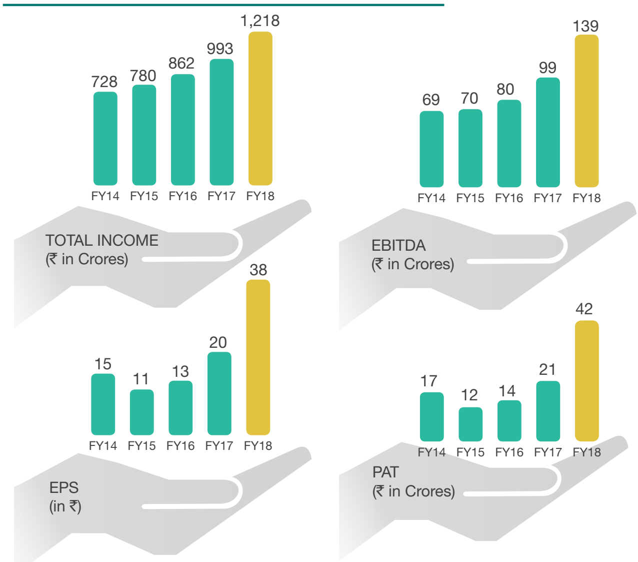
Die Casting Division (DCD)

- Improved operational performance of Die Casting business despite marginal decline in revenue because of lower offtake by International customers.

Rane Precision Die Casting (RPDC)

- The turnaround plan of the overseas subsidiary, RPDC, is work in progress with key emphasis on operations improvement.

Key Performance Indicators



Awards & Accolades

- Received System Audit award from Maruti Suzuki India Limited
- Received NPD award from SML ISUZU Limited

Chairman's Letter

The consolidated revenue increased to ₹ 1349 crores – a 17% y-o-y jump. The EBITDA grew by 35% to ₹ 135 crores.

Dear Shareholders,

In 2017, the world economy grew at 3.8%, the fastest since 2011 after a period of 6 years of lackluster growth. At domestic front, the rollout of uniform Goods and Services Tax (GST) created some disruption and India's growth moderated to 6.6% in FY18. However, the automotive industry witnessed growth across all vehicle segments.

The consolidated revenue increased to ₹ 1349 crores – a 17% y-o-y jump. The EBITDA grew by 35% to ₹ 135 crores. The revenue growth was supported primarily by robust growth in India across product segments. The order book of die casting businesses in India and US are still not healthy. The management is focusing on new business development which hopefully will improve the capacity utilization of die casting business in the coming years.

Operationally, maintained healthy capacity utilization as plants sustained higher production to meet increased demand for Steering products. We focused on lean and cost optimisation measures to boost productivity and reduce manpower and other costs. Your Company was able to optimize the capex in FY18 with continuous evaluation of in-house vs outsourcing decision. Our R&D facilities were upgraded to meet the new product requirements of customers. Another initiative was the implementation of PLM (Product Lifecycle Management) to enhance the potency of all the new product developments.

IMF estimates that Indian GDP growth would rebound to 7.4% in FY19. Combine this with solid demand cogs like higher disposable income levels, favourable demographics, easy finance options availability; top it with government initiatives like 'Make in India', NATRiP (National Automotive Testing and R&D Infrastructure Project), AMP 2026 (Automotive Mission Plan 2016-26), we have favourable growth opportunity awaiting us and we are confident that RML would be marching ahead towards its vision of the decade of profitable growth.

On behalf of the entire Board of Rane (Madras) Limited, I thank all our stakeholders – Customers, Employees, Partners, Vendors, Investors, Bankers, Government, Communities and most importantly you – our shareholders, who have entrusted immense trust in us, throughout this eventful journey.

Yours Sincerely,
L Ganesh
Chairman

Corporate Information

Board of Directors
Mr. L Ganesh, Chairman
Mr. Harish Lakshman, Vice Chairman
Ms. Anita Ramachandran
Mr. L Lakshman
Mr. M Lakshminarayan
Mr. Pradip Kumar Bishnoi

Audit Committee
Mr. M Lakshminarayan, *Chairman*
Mr. L Lakshman
Mr. Pradip Kumar Bishnoi

Stakeholders' Relationship Committee
Mr. L Lakshman, *Chairman*
Mr. Harish Lakshman
Ms. Anita Ramachandran

Nomination and Remuneration Committee
Mr. M Lakshminarayan, *Chairman*
Ms. Anita Ramachandran
Mr. L Ganesh
Mr. L Lakshman

Corporate Social Responsibility Committee
Mr. L Lakshman, *Chairman*
Ms. Anita Ramachandran
Mr. L Ganesh

Chief Executive Officer
Mr. S Parthasarathy

Vice-President Finance/Chief Financial Officer
Ms. J Radha

Secretary
Ms. S Subha Shree

Statutory Auditors
M/s. Deloitte Haskins & Sells
Chartered Accountants,
ASV Towers, 7th Floor, Old No.37, New No. 52
Venkatanarayana Road, T. Nagar, Chennai-600017

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

Registered Office
Rane (Madras) Limited
CIN: L65993TN2004PLC052856
"MAITHRI", 132, Cathedral Road, Chennai 600 086
Phone: 044-28112472 Fax: 044-28112449
Email: investorservices@ranegroup.com
Website: www.ranegroup.com

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

Bankers
Canara Bank, Chennai - 600 002
DBS Bank Limited, Chennai - 600 002
HDFC Bank Limited, Chennai - 600 002
IDBI Bank Limited, Chennai - 600 015
ICICI Bank, Chennai - 600 018
Kotak Mahindra Bank Limited, Chennai - 600 002
Standard Chartered Bank, Chennai - 600 001
YES Bank Limited, Chennai - 600 002

Head Office
"GANAPATHI BUILDINGS"
154, Velachery Road, Chennai - 600 042

Plants
1. 79/84, Hootagally Industrial Area
   Mysuru - 570 018, Karnataka
2. 77, Thirubuvanai Main Road
   Thirubuvanai Village, Puducherry - 605 107
3. Ambakkam, Varanavasi Village
   Varanavasi Post, Kancheepuram - 631 604, Tamil Nadu
4. Plot No. 27, Sector 11, Integral Industrial Estate
   Pant Nagar, Uttrakhand - 263 153
5. 143/A, SV Co-op Industrial Estate
   IDA Bollaram, Medak District - 502 325, Telangana
6. Survey No.789/AA, 781, 781/AA, 790/A & 779
   Sadasivpet Municipal Limits,
   Sadasivpet Mandal - 502 291, Medak Dist., Telangana

Registrar and Transfer Agent
Integrated Registry Management Services Private Limited
II Floor, "Kences Towers",
No 1 Ramakrishna Street, North Usman Road,
T Nagar, Chennai 600 017
E-mail: corpserv@integratedindia.in
Website: www.integratedindia.in

REPORT OF THE BOARD OF DIRECTORS

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the accounts for the year ended 31 March, 2018 and other prescribed particulars:

1. State of Company's affairs

1.1 Financial Performance

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

(₹ in crores)

Particulars	2017-18	2016-17**
Sales and Operating Revenues (net of Excise duty)	1211.89	989.27
Other Income	5.64	3.35
Profit Before Tax (PBT)	60.18	26.29
Provision for tax :		
Current	18.33	5.61
Deferred	0.04	1.48
MAT Credit availed	-	(1.46)
Profit After Tax (PAT)	41.81	20.66
Surplus brought forward	24.78	7.25
Amount transferred to Capital Redemption Reserve (CRR)	8.23	-
Amount available for appropriation	57.85	27.30

** Previous year's numbers has been restated as per Ind AS.

Key performance indicators, operational performance and balance sheet summary are furnished in page no. 03 of this annual report.

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

The Company recorded a turnover of ₹ 1,005.29 crores from its steering and linkage products, showing an increase of 28% over previous year. The company achieved a turnover of ₹ 126.62 crores from die casting business, recording 3% decrease over previous year. The Company also achieved a turnover of ₹ 40.69 crores from its auto parts division. The total turnover of the company was ₹ 1,172.60 crores, registering an overall growth of 23% over the previous year.

On a stand-alone basis, the revenue from operations for the financial year 2017-18 was ₹ 1,211.89 crores, which is higher by 23% over the last year ₹ 989.27 crores.

The profit before tax of the Company was ₹ 60.18 crores, representing 5% of the turnover. Earnings per share for the year 2017-18 was ₹ 37.61 as against ₹ 19.66 in the previous year.

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. The Company is a subsidiary of Rane Holdings Limited (RHL / Holding Company). The Company does not have any associate or joint venture.

1.2 Overseas Subsidiaries

Rane Precision Die Casting Inc., USA (RPDC), is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. During the financial year 2017-18, RPDC recorded a turnover of ₹185.87 crores from its operations.

This investment is held through Rane (Madras) International Holdings, B.V., The Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS'), incorporated to hold strategic overseas investments of the Company. The WOS has till 31 March, 2018 invested USD 4.70 million into the equity capital of RPDC.

As on 31 March, 2018, the Company had issued corporate guarantee to EXIM Bank for USD 2.1 Million and USD 4.8 Million against the lending of EXIM Bank to RPDC and RMIH respectively.

1.3 Changes in Share Capital

1.3.1 Redemption of Preference Shares

The Company had, on 21 September, 2017, redeemed out of profits of the Company, the entire 82,32,164 fully paid-up 6.74%

Cumulative Redeemable Preference Shares (CRPS) of ₹10/- each amounting to ₹8.23 crores, issued to Rane Holdings Limited (RHL / Holding Company) at par.

1.3.2 Preferential Allotment of Equity Shares & Convertible Warrants

During the year 2017-18, the Company had issued and alloted 10,96,892 equity shares and 3,65,630 warrants, by way of preferential allotment to the promoter Rane Holdings Limited (RHL) for a total cash consideration ₹ 65 crores. The equity shares rank *pari passu* with existing shares and are also listed on the stock exchanges viz., BSE Limited and National Stock Exchange of India Limited, effective 06 October, 2017 and 09 October 2017, respectively. The warrants are convertible into equivalent equity shares within a period of 18 months from the date of allotment i.e on or before 11 March, 2019. On exercise of the warrants by Rane Holdings Limited, the Company will receive balance amount of ₹ 14.99 crores, towards the warrant execise price. The objects of the preferential issue of equity shares and convertible warrants to RHL was to raise funds for the purpose of meeting the working capital requirements and repayment of debts.

1.4 Appropriation

During the year 2017-18, the board of directors declared an interim dividend at the rate of 45% (i.e., ₹4.50 per equity share of ₹10/- each, fully paid-up) and the same was paid on 13 February, 2018 to all the eligible shareholders whose name appeared in the register of members of the Company as on 03 February, 2018, being the Record Date fixed for this purpose.

The board of directors of the Company at the meeting held on 30 April, 2018 have considered and recommended a final dividend of 75% (i.e., ₹ 7.50/- per equity share of ₹10/- each fully paid-up) for approval of the shareholders at the ensuing 14th AGM to be held on 25 July, 2018.

The profit available for appropriation is ₹59.42 crores. During the year, the Board has declared an interim dividend on the Cumulative Redeemable Preference Shares at the rate of 6.74% per annum for the year 2017-18, on a pro-rata basis up to the date of redemption i.e. 21 September, 2017.

The total final dividend amount on equity shares inclusive of distribution tax and surcharge thereon would be ₹10.49 crores. The final dividend, if declared by the shareholders, will be paid on 01 August, 2018 to all the eligible shareholders whose name appears in the register of members of the Company as on 18 July, 2018, being the Record Date fixed for this purpose.

₹27.62 crores has been retained as surplus in the profit and loss account after transferring ₹24.64 crores to the general reserves.

1.5 Management Discussion & Analysis

Your Company is engaged in the manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products. A detailed analysis on the performance of the industry, the Company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report and annexed as **'Annexure A'.**

1.6 Consolidated Financial Statements

The consolidated financial statements of the Company are prepared based on the financial statements of the subsidiary companies viz., Rane (Madras) International Holdings B.V, The Netherlands, Wholly Owned Subsidiary ('RMIH' / 'WOS') and Rane Precision Die Casting Inc., USA, Step Down Subsidiary ('RPDC'/ 'SDS'). The Company has followed the methodology prescribed under applicable accounting standard for consolidation of financial statements of the subsidiary companies i.e., each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average of daily exchange rates prevailing during the year.

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

2. Board of Directors

2.1 Composition

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

During the year, Dr. Tridibesh Mukherjee (DIN : 00004777), Independent Director, in view of his attaining the age of retirement as per policy of the Company, ceased to be a director with effect from the conclusion of the 13th AGM held on 24 August, 2017. Based on the recommendations of the Nomination and Remuneration Committee and Board of Directors, Mr. M Lakshminarayan (DIN : 00064750) and Ms. Anita Ramachandran (DIN : 00118188) were re-appointed as Independent Directors by the shareholders at the 13th AGM for a second term. Further, Mr. P.K. Bishnoi (DIN : 00732640) was appointed as Independent Director by the shareholders at the 13th AGM for a term to hold office upto 23 October, 2021 or conclusion of 17th AGM, whichever is earlier.

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

All directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

2.2 Retirement by rotation

At the ensuing 14th Annual General Meeting (AGM), Mr. L Lakshman, Director (DIN : 00012554), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the 14th AGM includes the proposal for his re-appointment as director.

2.3 Board Meetings

A calendar of meetings is prepared and circulated in advance to the directors. During the year, six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between any two consecutive meetings was less than 120 days.

2.4 Meeting of Independent Directors

During the year, one separate meeting of Independent Directors was held. In the said meeting, the Independent Directors assessed the quality, quantity and timeliness of flow of information between the management and the board at the meeting and expressed that the current flow of information and contents were adequate for the board to effectively perform its duties. They also reviewed the performance of the non-independent directors and the board as a whole and the performance of the chairperson of the Company taking into account the views of other non-executive directors.

3. Board and Management

3.1 Board evaluation

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

The criteria for evaluation of board and its committees were founded on the structure, 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 founded on aspects relating to their group dynamics, competency and commitment to the success of the Company.

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

The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring that the aspects laid down under each of the criteria are comprehensive and commensurate with the size of the board and the Company. The Nomination and Remuneration Committee, reviews and makes recommendation 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 on the Board effectiveness and evaluation process. The outcome of the evaluation also forms the basis for the Nomination and Remuneration Committee while considering re-appointments of Directors and appointment in various Committee of the Board.

3.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarization programmes to independent directors are available at http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/

3.3 Key Managerial Personnel

Mr. S Parthasarathy, Chief Executive Officer (CEO), Ms. J Radha, Vice President-Finance & Chief Financial Officer (CFO) and Ms. S Subha Shree, Secretary, hold the office of Key Managerial Personnel, respectively within the meaning of Section 2(51) of the Companies Act, 2013. During the year there was no change in the Key Managerial Personnel (KMP).

3.4 Remuneration policy

The 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 B'.**

Pursuant to approval accorded by the shareholders at the 11th AGM held on 31 July, 2015, Mr. L Ganesh, Chairman (Non-Executive) has been receiving commission up to 2% of the net profits of the Company for a period commencing from 01 April, 2015. The Nomination and Remuneration Committee at its meeting held on 30 April, 2018 has recommended payment of ₹ 1,23,53,000/- as commission for the financial year 2017-18 to Mr. L Ganesh, Chairman. Based on the recommendations of the NRC, the Board of Directors propose payment of commission of up to 2% of net profits for a further period of three years commencing from 01 April 2018, subject to the approval of the shareholders at the ensuing 14th AGM 2018 in accordance with Section 197, 198 and other applicable provisions of the Companies Act 2013.

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

4. Audit

4.1 Audit Committee

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

4.2 Statutory Auditors

M/s. Deloitte Haskins & Sells (DHS) were re-appointed as Statutory Auditors at the 13th Annual General Meeting (AGM) held on 24 August, 2017, for a period of five years i.e., until the conclusion of the ensuing 18th AGM (2022), subject to ratification by members at every AGM. Subject to notification of the relevant provisions of the Companies (Amendment) Act, 2017, their appointment may have to be ratified by members at every AGM in accordance with Section 139 of the Companies Act, 2013 read with applicable rules made thereunder. In the event of notification of the aforesaid amendment, the requirement for ratification would be infructuous and shall be dispensed with.

The Company has received a letter from DHS consenting to the re-appointment and confirmation to the effect that their appointment, if made, would be within the prescribed limits and that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. DHS have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India.

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.

The statutory auditors report to the members for the year ended 31 March, 2018 does not contain any qualification, reservation, adverse remark or disclaimer.

4.3 Cost Audit

Cost audit is not applicable to the Company as per the threshold limits prescribed under Companies (Cost Records and Audit) Rules, 2014. Therefore, the board did not appoint cost auditor to conduct cost audit for the year 2017-18.

4.4 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2017-18 is annexed herewith as **'Annexure C'.** The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

4.5 Internal Auditors

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

5. Directors' responsibility statement

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

i. in the preparation of the financial statements for the financial year 2017-18, the applicable accounting standards had been followed and there were no material departures;

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

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

iv. they had prepared the financial statements for the financial year on a 'going concern' basis;

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

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

6. Related Party Transactions

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

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 policy on Related Party Transactions as approved by the Board is uploaded on the Company's website (http://ranegroup.com/rml_investors/policy-on-related-party-transactions/). None of the Directors or Key

Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

7. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is "To be a 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 viz., : (a) Education (b) Healthcare (c) Community Development; and (d) Environment.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Director and Ms. Anita Ramachandran, an Independent Director, as its members. The Annual Report on CSR activities carried out during the year 2017-18 is annexed as **'Annexure D'.** The CSR policy of the Company is available in the Company's website viz., http://ranegroup.com/rml_investors/corporate-social-responsibility-policy/

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **'Annexure E'.**

9. Particulars of Directors, Key Managerial Personnel and Employees

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

10. Corporate Governance Report

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

11. Other disclosures

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

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

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

d) The 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'.**

e) The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of board of directors and SS-2 on general meetings issued by Institute of Company Secretaries of India as per Section 118(10) of the Companies Act, 2013.

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

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

h) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper mechanism across the Company. There was no case reported during the year under review through this mechanism.

For and on behalf of the board

Chennai	**HARISH LAKSHMAN**	**L GANESH**
30 April, 2018	Vice Chairman	Chairman
	DIN : 00012602	DIN : 00012583

ANNEXURE A TO REPORT OF THE BOARD OF DIRECTORS

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The Company manufactures steering and suspension linkage products, steering gear products and high precision aluminium die casting products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and farm tractors in India and exports across the globe. The Company operates predominantly in a single reportable segment viz., components for transportation industry.

Industry Structure, Developments and Performance

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

Domestic Commercial Vehicle (CV) segment volumes contracted during the first quarter of financial year led by sharp decline in sales of Medium & Heavy Commercial Vehicles (M&HCV). This was due to pre-buying in Q4 2017 ahead of the BS-IV rollout and deferment of purchases by fleet operators before roll-out of GST. However, due to demand from the construction, mining and FMCG sectors in the subsequent quarters resulted in growth of 10% in the CV segment.

In the M&HCV segment there was a major shift towards production of higher tonnage multi axle vehicles. Overall the M&HCV market had muted growth over the previous year. The Light Commercial Vehicles (LCV) segment reported strong volume growth of 14% driven by rising demand from e-commerce and logistics sectors and increasing rural disposable income. The Small Commercial Vehicles segment reported volume growth of 24%.

Revival in the rural economy because of normal monsoon and increasing rural spends by the government positively impacted the demand for tractors and the Farm tractors grew by 14%.

Industry Growth

During the year under review, the volume growth in automotive industry is as given below:-

Industry Segment (Production figures)	Growth in % (YoY change)	
	2017-18	2016-17
Vehicles		
Passenger Cars (PC)	1.0%	5.4%
Utility Vehicles (MUV)	19.9%	26.3%
Vans (MPV)	(0.3)%	(0.6)%
Passenger Vehicles	**5.5%**	**9.5%**
Small Commercial Vehicles (SCV)	27.0%	2.7%
Light Commercial Vehicles (LCV)	14.0%	6.0%
Medium & Heavy Commercial Vehicles (M&HCV)	0.3%	0.4%
Commercial Vehicles	**10.4%**	**3.0%**
Farm Tractors (FT)	14.4%	21.1%

Source: Society of Indian Automobile Manufacturers

Domestic Market

The Company's sales witnessed 29% increase in the domestic market.

The Steering and Linkages business registered a good growth in all vehicle segments. The growth was supported by growth in Passenger Vehicle segment and supply for new businesses for Rack & Pinion steering gears. It also had favourable growth in M&HCV segment through share of business increase in existing models and also supply for new models. In the Farm Tractor Segment, the business, not only enhanced its market share on manual steering gears, but also made good breakthroughs in the Hydraulic business with customers and new models.

The Die Casting business witnessed a sales growth of 29% over 2016-17 due to strong demand of Engine Timing Case Covers from Tier I customers of Passenger Car segment.

The break-up of the domestic sales by products is given below:

(₹ in crores)

Products	2017-18	2016-17	Growth in %
Steering Gear Products	498.12	348.75	43
Suspension and Linkage Products	310.36	284.24	9
Hydraulic Products	38.03	19.34	97
Die Casting Products	31.79	24.60	29
Other Automotive Parts	36.48	31.88	14
Total	**914.78**	**708.81**	**29**

The sales to Aftermarket customers experienced significant reduction in Q1 of 2017-18 as dealers lowered stocking levels owing to GST implementation, but subsequently recovered in the second half of the fiscal year.

The break-up of domestic sales between OEM and Aftermarket is given below:

(₹ in crores)

Market	2017-18	2016-17	Growth in %
OEM & OES	769.02	571.06	35
Aftermarket	145.76	137.75	6
Total	**914.78**	**708.81**	**29**

Exports

The Steering and Linkages business grew significantly during the financial year due to higher volumes in the All-Terrain Vehicle (ATV) segment in North America. We continue to win new businesses in North America and Europe in the various product categories.

The Die casting business largely serves the PC segment in North America. The export sales witnessed a significant decline over last year as the preference shifted more towards MUVs.

(₹ in crores)

Products	2017-18	2016-17	Growth in %
Suspension Linkage Products	68.90	54.97	25
Steering Gear Products	89.42	79.09	13
Hydraulic Products	1.05	-	100
Die Casting Products	94.24	105.42	(11)
Other Automotive Parts	4.21	3.58	18
Total	**257.82**	**243.06**	**6**

Operational and Financial Performance

Financial Review

Standalone Financial Highlights

- Revenue from Sale of Products increased by 23% to ₹1,172.60 crores in FY 2017-18 from ₹951.87 crores in FY 2016-17
- EBITDA increased by 40% to ₹139.50 crores in FY 2017-18 from ₹99.38 crores in FY 2016-17
- PAT increased by 102% to ₹41.81 crores in 2017-18 from ₹20.67 crores in FY 2016-17

The Company achieved a Sale of Products of ₹ 1,172.6 crores, a growth of 23% over last year, driven largely due to growth in the Steering and Linkages business in the Domestic market and in the Exports market. The Die casting business growth in Domestic was offset by the decline in the Exports market, resulting in a marginal drop in sales over previous year. The improvement in profits was largely driven by increased volume as also several cost control measures. During the current year the strengthening of INR affected profitability. Improvement in capacity utilization in the steering business resulted in better Return on Capital Employed (ROCE).

Consolidated Financial Highlights

- Revenue from Sale of Products increased by 17% to ₹1,349.41 crores in FY 2017-18 from ₹1,156.77 crores in FY 2016-17.
- EBITDA increased by 35% to ₹134.88 crores in FY 2017-18 from ₹99.92 crores in FY 2016-17.
- PAT increased by 460% to ₹24.22 crores in FY 2017-18 from ₹4.32 crores in FY 2016-17.

Operational and Manufacturing Review

In the Steering and linkages business, in spite of the significant growth, all the plants responded well and operated close to 100% of the capacity. There was good support from the supply chain team for the increased volumes.

The Hydraulics unit in Mysuru did well as the volumes increased significantly in both the Hydrostatic Steering Unit (HSS) and the Cylinders. The Hydraulics Business almost doubled this year as compared to the previous year.

The supply of Rack & Pinion gears, which had just commenced in the later part of last year in Varanavasi plant, ramped up to full volumes in a short period of time.

The Management continued to engage in various lean measures to improve productivity and also reduce manpower. Further, various cost reduction projects identified in the areas of power, stores & spares and packing were all implemented successfully.

As in the past, there has been a constant evaluation of in-house versus out sourcing decision, which helped the Company to optimize capital expenditure in 2017-18.

The supply chain and plants responded well during the GST implementation and ensured no disruption on supplies to customers.

Our R&D facilities were upgraded to meet the new product requirements of customers, both at Chennai and at Puducherry. During the current year, the Company has implemented Product Life Cycle Management (PLM), which is expected to improve the overall effectiveness of the new product development process.

The Die Casting business had focused on operational improvement in the areas of new product development, die tool management and enhanced the overall robustness in the manufacturing process. It also improved the production volumes to capitalize on the business of Timing Case Covers, which resulted in increased sales in the domestic market. This has supported to reduce the overall sales gap due to drop in exports.

Rane Precision Die Casting (RPDC)

The operational turnaround of Rane Precision Die Casting (RPDC), North America continues to be a major area of focus. During the current year, volumes declined over last year due to lesser offtake from select customers.

We continue with the implementation of “Get Well” plan structured to stabilize and improve operations. Though, there was significant progress made, we continue to face several operational challenges such as delay in new dies, resulting in higher rejections and higher overtime.

- Key pieces of equipment and tooling were refurbished or replaced as appropriate.
- Acquisition of automation systems to improve productivity and customer satisfaction.
- Implemented marketing strategy to penetrate new industries and customers to augment the core automotive business.
- Launch of a new steering rack housing for major customer.

With the above initiatives, RPDC will be better prepared to navigate operational challenges in the fiscal year 2018-19.

Pursuit of Business excellence

The Company continues to focus on the 'Business Excellence Model' which was built on the strong foundation of existing TQM practices.

Several new systems and processes have been revisited and the business processes are re-engineered for efficiency and effectiveness. A strong internal process audit has been established across all Plants to continuously identify and implement improvement areas. To focus and improve operational performance, the Operating Committee carries out weekly reviews involving all plants and functions, to understand and resolve issues which impact the business performance.

The Company has won the following awards from customers:

❖ System audit award from Maruti Suzuki India Ltd

❖ NPD award from SML ISUZU Ltd

Outlook

Driven by private consumption, investment and exports and riding on the back of policy reforms, Indian economy is expected to grow 7.4% in FY19 as per IMF estimates. Growing economy, rising income coupled with favourable demography, availability of credit and financing options, low cost of production, low penetration of cars and a major thrust on infrastructure by the government bodes well for the industry and the Company.

Following the implementation of GST, manufacturing activity is expected to further accelerate. Given the positive environment for Indian automotive sector, the Company is set to capitalize on the upcoming opportunity. However, increasing commodity prices, volatile forex movements, liquidity issues in the increasing interest rate environment, political uncertainty and looming trade war continues to be area of concerns in the future.

The Steering and Linkage business expects to grow through new businesses won in Passenger Car segment and Hydraulics and increase in market share in the Medium and Heavy Commercial Vehicle segment. After Market and Exports will continue to be a focus area to mitigate dependence on the domestic OEM business.

The Diecasting business, having stabilized operations, is now pursuing new businesses to drive growth. Given the lead time required for conversion of the new business, a modest growth is anticipated for the year 2018-19 and better capacity utilization from 2019-20 onwards.

The following additional initiatives are being undertaken as a way forward:-

❖ Become a significant player in Hydraulics

❖ Pursue new customers for Steering Gears and achieve breakthrough in ball joints in the Exports market

❖ Expand the After Market product range

❖ Expand the Die-casting portfolio to Europe and identify new domestic customers

Opportunities & Threats

As part of its Annual Strategic Business Plans review, the Company carries out a Strengths, Weakness, Opportunities and Threats (SWOT) analysis and draws out action plans to leverage on its opportunities and counter its threats.

The Company's main strengths are:

❖ Strong customer connect

❖ Focus on customer requirements and the willingness to look beyond the stated needs of the customers.

❖ Ability to independently design and validate the products.

❖ A well-established Total Quality Management (TQM) culture across all the functions

❖ A network of competent and committed vendors

The main threats to which the auto component industry is exposed to are:-

❖ Increasing cost reduction demand from OEMs, thereby imposing pressure on operating margins.

❖ Volatility of commodity prices affecting the input costs structure.

Internal Control Systems

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

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

Risk Management

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

As part of its initiatives in managing IT risks and compliance, the Company has implemented Information Security Management System (ISMS) in all the Plants and Head Office and has also obtained ISO 27001:2013 certification by TUV. Also, Data Protection Guidelines has been introduced as part of security measures to protect the Company's data.

Human Resource Development and Industrial Relations

In the year 2017-18, the Company had extensively focused on leadership development and employee engagement initiatives.

Leadership Development

As part of technical competency development for the front line managers, Rane Manufacturing Systems Professional (RMSP) was launched in Q1 to build manufacturing capability, focusing on manufacturing processes and systems with gemba based learning and business oriented projects. To supplement the learning, as a pilot, online learning mode was introduced for five technical courses. 24 participants are undergoing this intervention facilitated predominantly by internal subject matter experts. Further, a refreshed twelve-day customized course on "Learning on Machines" was designed and delivered to set of graduate engineers. To facilitate the further growth of graduate engineers in the system, Reconnect program was organized to provide insights on developing deeper relationships with other team members.

As part of strengthening the leadership pipeline, 5 employees went through the TOP GEAR (Transforming Organization & Profitability through Growth, Engagement, Actions and Results) program focused on High Potential Leadership Development. The participants pursued an action-learning project that focused on solving a significant challenge faced by the Company. As part of Executive Leadership Development, Developing Executive Presence was rolled out. The Group Leadership Development Council periodically reviewed leadership development.

Employee Engagement

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

In order to bring in an empathetic, collaborative and trustworthy working environment, all managers take pledge by the respect code. An appreciation scheme called "Staff Appreciation and Recognition" has been launched that emphasises on appreciating excellence at all levels. Several other new initiatives were structured to engage with employees regularly.

Other Initiatives

Functional connect is a new initiative launched to further the collaboration amongst employees by sharing metrics that are function specific. As part of the continuing executive education initiatives, the company encourages high potential talent to pursue higher education in both technical and management disciplines. Four (4) employees are pursuing various programs under this scheme.

The industrial relations climate remained peaceful across the organization. Long Term Settlement was concluded with the union at Hyderabad and Mysuru plant.

Safety

We continued to focus on Safety during the year. We mapped the machines across the Company and identified those which needed safety upgrades to minimise the risk to the Operators.

We are developing a Group level Health and Safety System, by forming a Cross Functional Team. A clear Policy along with a focussed approach is being rolled out to achieve significant results in this area.

Apart from focusing on removing the unsafe working condition through mapping of machines for safety, we are also driving a strong safety culture and use of personal protection devices.

Corporate Social Responsibility (CSR)

The Company has been contributing to society through needs identified in the locality surrounding the Plants. The Company has focused on education and environment for the year 2017. In this year, we have provided free mid-day meals to Government school children, tuition support to poor children and educational aids to Government schools. In Environment, we have conducted plantation drive by planting samplings and helping the local community in removal of wild growing Seemai Karuveelam trees.

As part of Swachh Bharath Abhiyan, we have also cleaned the surroundings of our Plants and educated the school children on cleanliness.

The Company has been associated with DESIRE Society (for over 5 years), an NGO working for HIV / AIDS Infected / Affected Children in Bollaram, Hyderabad. With Health Care, being our area of focus, we supply vitamin supplements for HIV positive children which will help them increase their longevity.

We also keep monitoring the projects implemented in the past two years for any support / maintenance.

ANNEXURE B TO REPORT OF THE BOARD OF DIRECTORS

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

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

Criteria for Appointment

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

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

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

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

Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed to attract, motivate, and retain talented employees who drive the company's success and it aims at aligning compensation to goals of the company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

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

Non- Executive Directors

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

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

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

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

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

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

ANNEXURE C TO REPORT OF THE BOARD OF DIRECTOR

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2018

Form No. MR-3

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

To
The Members of
Rane (Madras) Limited
[CIN: L65993TN2004PLC052856]
“Maithri”, No. 132, Cathedral Road,
Chennai - 600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE (MADRAS) LIMITED** (hereinafter called “the Company”) during the financial year from 01 April, 2017 to 31 March, 2018 (“the year”/ “audit period”/ “period under review”).

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

We are issuing this report based on

(i) Our examination / verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms / returns filed and compliance related action taken by the Company during the year as well as after 31 March, 2018 but before the issue of this report;

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

(iii) Certificates confirming compliance with certain factory related laws issued by the Internal Auditor and taken on record by the Audit Committee / Board of Directors; and

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

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

1. Compliance with specific statutory provisions

We report that:

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

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

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

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

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

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

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

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

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) 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) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR);

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

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

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

(i) **Complied with** the applicable provisions/ clauses of the Acts, Rules, Regulations, Agreements mentioned under paragraph 1.1. (i) to (iii) and 1.1.(v) and (vi) above;

(ii) **Complied with** the Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1. (vii) above to the extent applicable to Board meetings and General meetings; and

(iii) **Generally complied with** FEMA mentioned under paragraph 1.1 (iv) above.

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

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

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

(b) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

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

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

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

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

2. Board processes

We further report that:

2.1 Board constitution and balance

(i) The constitution of the Board during the year was in compliance with the Act and LODR.

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

(a) Three Non-Executive Non-Independent Directors; and

(b) Three Independent Directors, including a woman Independent director.

(iii) The Company was not required to appoint an Executive Director since it has appointed a whole-time key managerial personnel in the position of Chief Executive Officer in terms of section 203(1) of the Act.

(iv) The following changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act by passing resolutions at the 13th annual general meeting held on 24 August, 2017 (AGM):

(a) Re-appointment of two independent directors by passing special resolutions;

(b) Approval of appointment of an independent director by passing an ordinary resolution; and

(c) Re-appointment of the director retiring by rotation.

(d) Cessation of an Independent Director on the end of his tenure and in accordance with the retirement policy of the Company at the conclusion of the 13th AGM.

2.2 Board meetings

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

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

(iii) Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings and consent of the Board for circulating them separately or at the meeting was duly obtained as required under SS-1:

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

(b) Additional subjects/ information and supplementary notes.

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

(v) We are informed that, at the Board meetings held during the year:

(a) Majority decisions were carried through; and

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

3 Compliance mechanism

We further report that:

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

4 Specific events/ actions

We further report that, during the year:

4.1 The Company has made the following redemption / allotment of securities to its holding company Rane Holdings Limited:

(i) Redeemed 82,32,164 numbers of 6.74% Cumulative Redeemable Preference Shares of ₹ 10/- each at par out of the profits on 21 September, 2017;

(ii) Allotted 10,96,892 Equity Shares of ₹ 10/- each fully paid for cash at a price of ₹ 547/- per share raised ₹ 60 crores on 11 September, 2017, by way of a preferential issue. The equity shareholding of the holding company has increased from 56.31% to 60.44% consequent to this allotment; and

(iii) Allotted 3,65,630 warrants having face value of ₹ 10/- each for cash at a price of ₹ 547/- on 11 September 2017, convertible into 3,65,630 Equity shares of face value of ₹ 10/- each at any time on or before the expiry of eighteen months from the date of allotment. 25% of the total value of the warrants has been paid and the balance 75% is payable at the time of exercise of the right for conversion of the warrants into equity shares.

4.2 The Company has made a further Overseas Direct Investment of USD 300,000 by way of a loan to its wholly-owned subsidiary Rane (Madras) International Holdings B.V., The Netherlands.

For **S KRISHNAMURTHY & CO.,**
Company Secretaries,

K SRIRAM,
Partner
Membership No: F6312
Certificate of Practice No: 2215

Chenai
30 April, 2018

ANNEXURE – A TO SECRETARIAL AUDIT REPORT OF EVEN DATE

To
The Members of
Rane (Madras) Limited
[CIN: L65993TN2004PLC052856]
“Maithri”, No. 132, Cathedral Road,
Chennai - 600086

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

1. The Company’s management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31 March, 2018 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial statements and books of accounts of the Company as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Act.
7. We have obtained the Management’s representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For **S KRISHNAMURTHY & CO.,**
Company Secretaries,

K SRIRAM,
Partner
Membership No: F6312
Certificate of Practice No: 2215

Chenai
30 April, 2018

ANNEXURE D TO REPORT OF THE BOARD OF DIRECTORS
ANNUAL REPORT ON CSR ACTIVITIES
FOR FINANCIAL YEAR 2017-18

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

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

Our CSR vision is 'to be a socially and environmentally responsible corporate citizen'. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our business partners and motivate people to make the right choices for the business, communities and planet.

Our belief in good citizenship drives us to create maximum impact in areas of:

- ❖ Education
- ❖ Health Care
- ❖ Environment and
- ❖ Community Development

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/rml_investors/corporate-social-responsibility-policy/)

Overview of projects implemented during 2017-18

- ❖ Contributed fund towards Rane Foundation for the promotion of education at RPTC & Rane Vidyalaya.
- ❖ Education fee support to under privileged students.
- ❖ Infrastructure support for Primary Health Centre.
- ❖ Free Mid-day meal to government school children.
- ❖ Plantation drive across locations
- ❖ Free tuition to needy students through local tuition centre
- ❖ Removal of seemai karuvelam trees around the agricultural lands to help local community.
- ❖ General health camp for school children.
- ❖ Cleaning drive around our plants and HO, educating the public on cleanliness and disposal of garbage as part of Swachh Bharat Abhiyan campaign.
- ❖ Focus on Health Care for HIV Infected kids at Desire Society.

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 RML is headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Management CSR Committee of the Company to act on their behalf. The members of the CSR committee are:

Board CSR Committee	Management CSR Committee
Mr. L Lakshman Committee Chairman, Non-Executive & Promoter Director	**Ms. Gowri Kailasam & Mr. D Sundar** Business Heads
Mr. L Ganesh Chairman, Non-Executive & Promoter Director	**Ms. J Radha** Vice President – Finance & CFO
Ms. Anita Ramachandran Non-Executive & Independent Director	**Mr. T A Dayalan** General Manager – Human Resource

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

₹ in crores

Particulars	2014-15	2015-16	2016-17
Net profit for the year (PAT)	12.44	14.09	18.96
Adjusted Net profit (as per Section 198)	20.49	20.98	25.37
Average Net profit		22.28	

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 45 lakhs

5. Details of CSR spent during the financial year.

(a) Total amount to be spent for the financial year: ₹ 45 lakhs

(b) Amount unspent, if any: Nil

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

(Amount in ₹ lakhs)

S. No	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
1	Education	Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled persons.	1) Other 2) Trichy (Tamil Nadu)	86.80	86.80	86.80	Implementing Agency: Rane Foundation (Registered Trust): 86.80
2		Providing educational support to under privileged students through NGO	1) Local 2) Chennai (Tamil Nadu)	0.50	0.50	87.30	Implementing Agency: Monday (Charity) Club for "Vidhyadhan" project: 0.50
3		Improving the nutritional status of children at Koorgalli Higher Primary Govt. School which encourages poor children, belonging to disadvantaged sections, to attend school more regularly and help them concentrate on classroom activities.	1) Local 2) Mysuru (Karnataka)	2.00	2.00	89.30	Implementing Agency - The Akshaya Patra Foundation: 2.00
4		Provide educational support to rural community through Madagadipattu tuition centre, which provides free tuition to the needy people.	1) Local 2) Thirubhuvanai (Puducherry)	0.24	0.24	89.54	Direct
5		Construction of toilets in Government High School	1) Local 2) Thirubhuvanai (Puducherry)	-	0.40	89.94	Direct
6		Infrastructure facility to local government school such as boards, tables, chairs, mats	1) Local 2) Pant Nagar, Rudrapur (Uttarakhand)	0.60	0.60	90.54	Direct
7		General health camp for school children	1) Local 2) Varanavasi (Kancheepuram)	0.80	0.53	91.07	Implementing Agency – APJ Hospital: 0.53

(Amount in ₹ lakhs)

S. No	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / Other 2) District (State)	Budget	Amount Spend -Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
8	Environment Protection	Plantation drive by planting samplings and providing tree guards	1) Local 2) Mysuru (Karnataka)	0.50	0.50	91.57	Implementing Agency - Sri Raghavendra Enterprises: 0.50
9		Removal of Seemai Karuveelam trees around the agricultural lands, rain water harvesting, etc.	1) Local 2) Thirubhuvanai (Puducherry)	1.16	0.76	92.33	Direct
10		Sapling Plantation drives, Promotion of clean India drives, etc	1) Local 2) Varanavasi (Kancheepuram)	0.30	0.62	92.95	Direct
11	Community Development	Infrastructure support for Primary Health Centre	1) Local 2) Chennai (Tamilnadu)	-	0.47	93.43	Direct
12		Cleaning drive around our plants, educated the public on cleanliness and disposal of garbage – Swachh Bharat Abhiyan	1) Local 2) Chennai (Tamil Nadu) 2) Mysuru (Karnataka) 2) Thirubhuvanai (Puducherry) 2) Varanavasi (Kancheepuram) 2) Rudrapur (Uttrakhand)	-	0.19	93.62	Direct
13	Health Care	Nutrition Programme - to increase the longetivity of HIV infected kids, provide them with protein supplements to help increase their immunity.	1) Local 2) Medak, Hyderabad (Telangana)	2.50	3.48	97.10	Implementing Agency: Desire Society, Hyderabad (Registered Trust): 3.48
14	CSR Capacity building	-	-	0.60	0.50	97.60	-
	Total			**96.00**	**97.60**	**97.60**	**-**

Note: The excess contributions over and above minimum requirements of 2% of the average net profits of the Company includes ₹ 50 lakhs towards support to the start-up funding of Rane Vidyalaya, the school project at Manachanallur, Trichy district, Tamil Nadu.

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

   Not Applicable

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

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

Chennai
30 April, 2018

S PARTHASARATHY
Chief Executive Officer

L LAKSHMAN
Chairman of the Committee
DIN : 00012554

ANNEXURE E TO REPORT OF THE BOARD OF DIRECTORS

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

Steps taken or impact on conservation

(1) Minimising power consumption

- ❖ Ceramic Lining to furnaces
- ❖ Thyristor power control, PDI control for conservation of energy on furnaces
- ❖ Providing chillers on the cooling towers to reduce the power consumption
- ❖ Use of LED lighting for office and street lights
- ❖ Use of inverter type air conditioners

(2) Eliminating Wastage

- ❖ Customized power pack on machining centres to reduce power consumption
- ❖ Switching over to energy efficient compressors
- ❖ Implementation of VFD projects for motors
- ❖ Need based auto - ON/OFF for machines
- ❖ Energy saving through air leak arresting
- ❖ Elimination of compressors by consumption reduction
- ❖ Switching off compressors during unwanted period

Impact of such conservation projects

- ❖ 86 energy saving projects completed in all plants and saved 5.10 lakh units in 2017-18.

Steps taken for utilising alternate sources of energy

- ❖ Installation of additional solar street lights in Mysuru saved 2190 units.
- ❖ Overall, around 35% of our power consumption is through alternate source of energy.

Capital investment in energy conservation equipment

- ❖ We enhanced the wind mill power in Mysuru by 5 lakh units.

B. Technology Absorption

Efforts towards technology absorption

- ❖ Expanded range of hydro static steering unit with new features
- ❖ Design and development of anti-shock valve hydrostatic steering gear unit for farm tractors
- ❖ Designed and developed new cylinders with varying capacity and size
- ❖ Performance enhanced 2/3 piece tie rods for farm tractors (power steering version tractors)
- ❖ Developed new technologies in noise attenuation in steering gears
- ❖ Designed and developed new technology linkage products enhancing life
- ❖ Low end lift ball joint for enhanced durability life

Benefits derived (product improvement, cost reduction, product development or import substitution)

- ❖ Enhanced performance in tractor steering to improve self centering and steering feel
- ❖ Product range expansion to meet export customer requirements
- ❖ New product developed for agriculture segment with improvement in product performance / to address field issues
- ❖ Improved vehicle level noise, particularly relevant for electric vehicles for global markets
- ❖ Access to global linkage opportunities
- ❖ Concept proved to address field quality issues

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2017-18)

Technology imported	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action
Not Applicable			

Research and Development expenditure incurred

(₹ in crores)

	Particulars	2017-18	2016-17
A	Capital expenditure	2.60	3.82
B	Recurring expenditure	8.06	7.71
C	Total	10.66	11.53
D	Total R & D expenses as a percentage of total turnover	0.86%	1.19%

C. Foreign Exchange Earnings and Outgo

(₹ in crores)

Foreign Exchange	2017-18	2016-17
Earnings	232.50	216.31
Outgo	47.22	80.60

For and on behalf of the board

Chennai	**HARISH LAKSHMAN**	**L GANESH**
30 April, 2018	Vice Chairman	Chairman
	DIN : 00012602	DIN : 00012583

ANNEXURE - F TO REPORT OF THE BOARD OF DIRECTORS

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31 March, 2018

Form No. MGT-9

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

I. Registration and Other Details:

(i)	CIN	:	L65993TN2004PLC052856
(ii)	Registration Date	:	31 March, 2004
(iii)	Name of the Company	:	**Rane (Madras) Limited**
(iv)	Category / Sub-Category of the Company	:	Public Company limited by shares / Indian/Non-Government Company
(v)	Address of the Registered office and contact details	:	"Maithri", No.132, Cathedral Road, Chennai 600 086
	Phone	:	044 2811 2472
	Fax	:	044 2811 2449
	Website	:	www.ranegroup.com
	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 : 28140801–03, Fax: 28142479 E-mail : corpserv@integratedindia.in Contact person : Mr. K Suresh Babu, Director

II. Principal Business Activities of the Company:

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

Sl. No	Name and Description of Main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1	Steering and Suspension linkages	29301	34.65%
2	Steering gear products	29301	47.53%
3	Other articles of aluminium	2432	10.95%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sl. No	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	**Rane Holdings Limited** Address: 'Maithri', No.132, Cathedral Road, Chennai - 600086, India	L35999TN1936PLC002202	Holding Company	60.44%	2(46)
2	**Rane (Madras) International Holdings B.V.** Address: Hoogoorddreef, 15,1101 BA Amsterdam, The Netherlands	Not applicable	Subsidiary Company	100%	2(87)(ii)
3	**Rane Precision Die Casting Inc.** Address: 232, Hopkinsville Road, Russellville, KY 42276-1280, United States of America	Not applicable	Step Down Subsidiary Company	100%	2(87)(ii)

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

During the year, the paid share capital of the Company increased by 10,96,892 shares from 1,05,10,649 as on 31 March, 2017 to 1,16,07,541 as on 31 March, 2018, on account of preferential allotment made to Rane Holdings Limited on 11 September, 2017. Accordingly, the percentage of shareholding for each category and shareholder(s) in this section are computed based on paid up share capital as on 31 March, 2017 and 31 March, 2018 respectively. Hence, the percentage are not comparable.

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	83,841	-	83,841	0.80	70,121	-	70,121	0.60	(0.20)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59,18,156	-	59,18,156	56.31	70,15,048	-	70,15,048	60.44	4.13
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**60,01,997**	**-**	**60,01,997**	**57.11**	**70,85,169**	**-**	**70,85,169**	**61.04**	**3.93**
(2) Foreign									
a) NRIs – Individuals	73,060	-	73,060	0.70	73,060	-	73,060	0.63	(0.07)
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**73,060**	**-**	**73,060**	**0.70**	**73,060**	**-**	**73,060**	**0.63**	**(0.07)**
Total Public Shareholding (A) = (A)(1)+ (A)(2)	**60,75,057**	**-**	**60,75,057**	**57.80**	**71,58,229**	**-**	**71,58,229**	**61.67**	**3.87**
B. Public Shareholding									
(1) Institution(s)									
a) Mutual Funds	6,000	-	6,000	0.06	-	-	-	-	(0.06)
b) Banks / FI	5,292	50	5,342	0.05	10,866	50	10,916	0.09	0.04
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	5,002	-	5,002	0.04	0.04
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**11,292**	**50**	**11,342**	**0.11**	**15,868**	**50**	**15,918**	**0.14**	**0.03**
(2) Non-Institution(s)									
a) Bodies Corp.									
i) Indian	6,42,533	37	6,42,570	6.11	6,32,234	37	6,32,271	5.45	(0.66)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	23,60,827	1,19,744	24,80,571	23.60	24,71,443	1,10,284	25,81,727	22.24	(1.36)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,46,347	-	11,46,347	10.90	10,43,411	-	10,43,411	8.99	(1.91)
c) Others (specify)									
Non Resident Indians	80,787	-	80,787	0.77	1,04,649	-	1,04,649	0.87	0.10
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	61,877	-	61,877	0.59	54,998	-	54,998	0.46	(0.13)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Rane (Madras) Limited - Unclaimed Shares Suspense Account	12,098	-	12,098	0.12	3,535	-	3,535	0.03	(0.09)
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	-	-	-	-	11,665	1,138	12,803	0.11	0.11
Sub-total (B)(2):-	**43,04,469**	**1,19,781**	**44,24,250**	**42.09**	**43,23,073**	**1,11,459**	**44,33,394**	**38.19**	**(3.90)**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**43,15,761**	**1,19,831**	**44,35,592**	**42.20**	**43,38,941**	**1,11,509**	**44,49,312**	**38.33**	**(3.87)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**1,03,90,818**	**1,19,831**	**1,05,10,649**	**100.00**	**1,14,96,032**	**1,12,647**	**1,16,07,541**	**100.00**	**-**

(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	Rane Holdings Limited	59,18,156	56.31	-	70,15,048	60.44	-	4.13
2	Shanthi Narayan	34,775	0.33	-	24,775	0.21	-	(0.12)
3	Raman T G G	28,000	0.27	-	28,000	0.24	-	(0.03)
4	Rathika R Sundaresan	20,000	0.19	-	20,000	0.17	-	(0.02)
5	Chithra Sundaresan	12,604	0.12	-	12,604	0.11	-	(0.01)
6	Ranjini R Iyer	12,000	0.11	-	12,000	0.10	-	(0.01)
7	Geetha Raman Subramanyam	12,000	0.11	-	12,000	0.10	-	(0.01)

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	
8	Aditya Ganesh	8,483	0.08	-	8,483	0.07	-	(0.01)
9	Aparna Ganesh	7,851	0.07	-	7,851	0.07	-	(0.01)
10	Vanaja Aghoram	5,010	0.05	-	5,010	0.04	-	(0.01)
11	Malavika Lakshman	4,866	0.05	-	4,866	0.04	-	(0.01)
12	T G Ramani	4,193	0.04	-	4,193	0.04	-	-
13	Suchitra Narayan	2,350	0.02	-	-	-	-	(0.02)
14	Sumant Narayan	1,370	0.01	-	-	-	-	(0.01)
15	Rekha Sundar	1,060	0.01	-	1,060	0.01	-	-
16	Meenakshi Ganesh	839	0.01	-	839	0.01	-	-
17	Vinay Lakshman	750	0.01	-	750	0.01	-	-
18	Harish Lakshman	750	0.01	-	750	0.01	-	-
	TOTAL	**60,75,057**	**57.80**	**-**	**71,58,229**	**61.67**	**-**	**3.87**

(iii) Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	**60,75,057**	**57.80**	**60,75,057**	**57.80**
Rane Holdings Limited	59,18,156	56.31	70,15,048	60.44
Shanti Narayan	34,775	0.30	24,775	0.21
Sumant Narayan	1,370	0.01	-	-
Suchitra Narayan	2,350	0.02	-	-
Other Promoters	1,18,406	1.13	1,18,406	1.02
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus / sweat equity etc.):				
Rane Holdings Limited Allotment of equity shares on preferential basis on 11 September, 2017	10,96,892	10.44	70,15,048	60.44
Shanti Narayan Transfer of shares by market sale				
15-02-2018	(20)	0.00	34755	0.30
15-02-2018	(40)	0.00	34715	0.30
26-02-2018	(1,940)	(0.02)	32775	0.28
27-02-2018	(400)	0.00	32375	0.28
27-02-2018	(1,600)	(0.01)	30775	0.27
28-02-2018	(3,800)	(0.03)	26975	0.23
28-02-2018	(200)	0.00	26775	0.23
01-03-2018	(2,000)	(0.02)	24775	0.21

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Sumant Narayan Transfer of shares by market sale				
20-12-2017	(6)	0.00	1,364	0.01
29-01-2018	(114)	0.00	1,250	0.01
12-02-2018	(815)	(0.01)	435	0.00
14-02-2018	(16)	0.00	419	0.00
26-02-2018	(419)	0.00	-	-
Suchitra Narayan Transfer of shares by market sale				
19-12-2017	(300)	0.00	2,050	0.02
20-12-2017	(200)	0.00	1,850	0.02
21-12-2017	(300)	0.00	1,550	0.01
29-01-2018	(100)	0.00	1,450	0.01
12-02-2018	(1450)	(0.01)	-	-
At the end of the year	**60,75,057**	**57.80**	**71,58,229**	**61.67**
Rane Holdings Limited	59,18,156	56.31	70,15,048	60.44
Shanti Narayan	34,775	0.30	24,775	0.21
Sumant Narayan	1,370	0.01	-	-
Suchitra Narayan	2,350	0.02	-	-
Other Promoters	1,18,406	1.13	1,18,406	1.13

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

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	Kumari Investment Corporation Private Ltd.	1,46,750	1.40	29-09-2017 30-09-2017	(8,000) 8,000	(0.82) 0.69	Transfer Purchase	66,750 1,46,750	0.58 1.26
2	Aadi Financial Advisors LLP	1,25,748	1.20	-	-	(0.11)	-	1,25,748	1.08
3	Gautam Jain	1,03,387	0.98	24-11-2017 08-12-2017	(1,000) (750)	(0.10) (0.01)	Transfer Transfer	1,02,387 1,01,637	0.88 0.88
4	Arvind Baburao Joshi	75,355	0.72	14-07-2017 21-07-2017 24-11-2017 08-12-2017 26-01-2018	(500) (1,000) (2,500) (3,000) (3,500)	(0.00) (0.01) (0.02) (0.03) (0.03)	Transfer Transfer Transfer Transfer Transfer	74,855 73,855 71,355 68,355 64,855	0.71 0.70 0.61 0.59 0.56
5	Vallabh Bhanshali	62,874	0.60	-	-	(0.06)	-	62,874	0.54
6	Ashwin Radheshyam Agarwal	47,720	0.45	-	-	(0.04)	-	47,720	0.41
7	Kalawati Radheshyam Agarwal	36,173	0.34	-	-	(0.03)	-	36,173	0.31
8	Rajeswari V	33,900	0.32	21-04-2017	(500)	(0.00)	Transfer	33,400	0.32

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/ YYYY)	Increase/ Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
9	Ashok Kumar Jain	33,721	0.32	19-05-2017	(4,598)	(0.04)	Transfer	29,123	0.28
				09-06-2017	908	0.01	Purchase	30,031	0.29
				23-06-2017	(5,400)	(0.05)	Transfer	24,631	0.23
				30-06-2017	(172)	0.00	Purchase	24,459	0.23
				14-07-2017	712	0.01	Purchase	25,171	0.24
				18-08-2017	(3,600)	(0.03)	Transfer	21,571	0.19
				08-09-2017	(9,979)	(0.09)	Transfer	11,592	0.10
				15-09-2017	(11,592)	(0.10)	Transfer	-	-
10	Systematix Fincorp India Limited	32,788	0.31	21-04-2017	(3,286)	(0.03)	Transfer	29502	0.28
				23-06-2017	(24,502)	(0.23)	Transfer	5000	0.05
				24-11-2017	(5,000)	(0.05)	Transfer	-	-
11	Hetal Kothari	32,256	0.31	-	-	(0.03)	-	32,256	0.28
12	Systematix Finvest Private Limited	31,498	0.30	23-06-2017	(31,498)	(0.30)	Transfer	-	-
13	Impetus Infotech (India) Private Limited	30,450	0.29	07-04-2017	(7,483)	(0.07)	Transfer	22,967	0.22
				21-04-2017	2,164	0.02	Purchase	25,131	0.24
				28-04-2017	(10,01)	(0.01)	Transfer	24,130	0.23
				09-06-2017	5,384	0.05	Purchase	29,514	0.28
				16-06-2017	(4,245)	(0.04)	Transfer	25,269	0.24
				23-06-2017	(5,000)	(0.05)	Transfer	20,269	0.19
				30-06-2017	(500)	0.00	Transfer	19,769	0.19
				14-07-2017	(500)	0.00	Transfer	19,269	0.18
				21-07-2017	(6,000)	(0.06)	Transfer	13,269	0.13
				08-09-2017	9304	0.09	Purchase	22,573	0.21
				15-09-2017	(1,500)	(0.01)	Transfer	21,073	0.20
				29-09-2017	(20,573)	(0.20)	Transfer	500	0.00
				30-09-2017	20,573	0.18	Purchase	21,073	0.18
				13-10-2017	5,554	0.05	Purchase	26,627	0.23
				31-10-2017	(1,000)	(0.01)	Transfer	25,627	0.22
				03-11-2017	(4,000)	(0.03)	Transfer	21,627	0.19
				10-11-2017	1000	0.01	Purchase	22,627	0.20
				24-11-2017	(5,000)	(0.04)	Transfer	17,627	0.15
				01-12-2017	(10,490)	(0.09)	Transfer	7,137	0.06
				08-12-2017	3,001	0.03	Purchase	10,138	0.09
				22-12-2017	(338)	0.00	Transfer	9,800	0.08
				26-01-2018	(100)	0.00	Transfer	9,700	0.08
				02-02-2018	(1,500)	(0.01)	Transfer	8,200	0.07
				09-02-2018	(500)	0.00	Transfer	7,700	0.07
				16-02-2018	(1,200)	(0.01)	Transfer	6,500	0.06
14	Manish Ramniwas Goyal	29,000	0.28	-	-	(0.03)	-	29,000	0.25
15	Neepa Shah	29,000	0.28	26-05-2017	(3,900)	(0.03)	Transfer	25,100	0.24
				02-06-2017	(5,617)	(0.05)	Transfer	19,483	0.19
				09-06-2017	(11,500)	(0.10)	Transfer	7,983	0.08
				08-09-2017	(7,983)	(0.07)	Transfer	-	-
16	Nitin Kapil Tandon	28,500	0.27	-	-	-	-	28,500	0.25
17	Palaniappan R	27,061	0.26	22-12-2017	10	(0.02)	Purchase	27,071	0.23

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
18	Navinder Singh Sahni	27,000	0.26	-	-	(0.02)	-	27,000	0.23
19	Kedar Shivanand Mankekar	26,492	0.25	-	-	(0.02)	-	26,492	0.23
20	Edelweiss Custodial Services Limited	203	0.00	07-04-2017	300	0.00	Purchase	503	0.00
				14-04-2017	(40)	0.00	Transfer	463	0.00
				21-04-2017	(10)	0.00	Transfer	453	0.00
				26-05-2017	35	0.00	Purchase	488	0.00
				02-06-2017	(385)	0.00	Transfer	103	0.00
				09-06-2017	120	0.00	Purchase	223	0.00
				16-06-2017	(20)	0.00	Transfer	203	0.00
				23-06-2017	5,410	0.05	Purchase	5,613	0.05
				30-06-2017	105	0.00	Purchase	5,718	0.05
				14-07-2017	23	0.00	Purchase	5,741	0.05
				21-07-2017	(8)	0.00	Transfer	5,733	0.05
				28-07-2017	100	0.00	Purchase	5,833	0.06
				04-08-2017	25	0.00	Purchase	5,858	0.06
				11-08-2017	(5,633)	(0.05)	Transfer	225	0.00
				25-08-2017	(50)	0.00	Transfer	175	0.00
				15-09-2017	1,000	0.01	Purchase	1,175	0.01
				22-09-2017	2,261	0.02	Purchase	3,436	0.03
				30-09-2017	1,400	0.01	Purchase	4,836	0.04
				06-10-2017	170	0.00	Purchase	5,006	0.04
				13-10-2017	877	0.01	Purchase	5,883	0.05
				20-10-2017	(837)	(0.01)	Transfer	5,046	0.04
				27-10-2017	1	0.00	Purchase	5,047	0.04
				31-10-2017	5,794	0.05	Purchase	10,841	0.09
				03-11-2017	(5,908)	(0.05)	Transfer	4,933	0.04
				10-11-2017	3,685	0.03	Purchase	8,618	0.07
				17-11-2017	109	0.00	Purchase	8,727	0.08
				24-11-2017	2,475	0.02	Purchase	11,202	0.10
				01-12-2017	30,885	0.27	Purchase	42,087	0.36
				08-12-2017	4,645	0.04	Purchase	46,732	0.40
				15-12-2017	5,425	0.05	Purchase	52,157	0.45
				22-12-2017	(1,579)	(0.01)	Transfer	50,578	0.44
				29-12-2017	4,540	0.04	Purchase	55,118	0.47
				30-12-2017	(1,405)	(0.01)	Transfer	53,713	0.46
				05-01-2018	715	0.01	Purchase	54,428	0.47
				12-01-2018	3,725	0.03	Purchase	58,153	0.50
				19-01-2018	(2,699)	(0.02)	Transfer	55,454	0.48
				26-01-2018	183	0.00	Purchase	55,637	0.48
				02-02-2018	(864)	(0.01)	Transfer	54,773	0.47
				09-02-2018	860	0.01	Purchase	55,633	0.48
				16-02-2018	1,491	0.01	Purchase	57,124	0.49
				23-02-2018	(8,862)	(0.08)	Transfer	48,262	0.42
				02-03-2018	2,500	0.02	Purchase	50,762	0.44
				09-03-2018	(64)	0.00	Transfer	50,698	0.44
				16-03-2018	(2,394)	(0.02)	Transfer	48,304	0.42
				23-03-2018	(76)	0.00	Transfer	48,228	0.42
				30-03-2018	(1,158)	(0.01)	Transfer	47,070	0.41

(v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	**1,589**	**0.02**	**1,589**	**0.01**
Meenakshi Ganesh & L Ganesh	839	0.01	839	-
Harish Lakshman	750	0.01	750	-
Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): **No change**				
At the end of the year	**1,589**	**0.02**	**1,589**	**0.01**
Meenakshi Ganesh & L Ganesh	839	0.01	839	-
Harish Lakshman	750	0.01	750	-

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

V. Indebtedness:

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

(Amount in ₹)

	Secured Loans Excluding Deposits- Long term Loan	Secured Loans Excluding Deposits- Working Capital	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	1,53,36,27,514	1,22,39,83,810	19,02,49,439	-	2,94,78,60,763
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	1,37,13,384	-	-	-	1,37,13,384
Total (i+ii+iii)	**1,54,73,40,898**	**12,239,83,810**	**19,02,49,439**	**-**	**2,96,15,74,147**
Change in Indebtedness during the financial year					
Addition	51,48,00,000	7,71,48,162	-	-	59,19,48,162
Reduction	(73,77,04,655)	-	(10,41,31,009)	-	(84,18,35,664)
Net Change	**(22,29,04,655)**	**7,71,48,162**	**(10,41,31,009)**	**-**	**(24,98,87,502)**
Indebtedness at the end of the financial year					
i) Principal Amount	1,32,19,66,641	1,30,11,31,972	8,61,18,430	-	2,70,92,17,043
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	24,69,602	-	-	-	24,69,602
Total (i+ii+iii)	**1,32,44,36,243**	**1,30,11,31,972**	**8,61,18,430**	**-**	**2,71,16,86,645**

Note: Movement in short term Borrowing / Working Capital is net additions / repayments during the year.

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not applicable

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No	Particulars of Remuneration	Name of the Directors				
1	**Independent Directors**	**Mr. M Lakshminarayan**	**Dr. Tridibesh Mukherjee^**	**Ms. Anita Ramachandran**	**Mr. Pradip Kumar Bishnoi**	**Total**
(a)	Fee for attending board / committee meetings	3,70,000	1,85,000	2,50,000	3,45,000	11,50,000
(b)	Commission	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-
	Total (B1)	**3,70,000**	**1,85,000**	**2,50,000**	**3,45,000**	**11,50,000**
2	**Other Non-Executive Directors**	**Mr. L Ganesh**	**Mr. L Lakshman**	**Mr. Harish Lakshman**		**Total**
(a)	Fee for attending board / committee meetings	2,82,500	4,30,000	2,52,500		9,65,000
(b)	Commission	1,23,53,000	-	-		1,23,53,000
(c)	Others, please specify	-	-	-		-
	Total (B2)	**1,26,35,500**	**4,30,000**	**2,52,500**		**1,33,18,000**
Total B = (B1)+(B2)						**1,44,68,000**
***Overall ceiling as per Act (being 11% of net profits calculated as per Section 198 of the Companies Act 2013) ₹ 67,939,959**						

^ in view of attaining the age of retirement as per the Company's policy, Tridibesh Mukherjee had expressed his intention not to seek re-appointment at the previous AGM and ceased to be director on conclusion of 13th AGM held on 24 August, 2017.

* The ceiling as per 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			
		Mr. S Parthasarathy CEO	Ms. J Radha CFO	Ms. S Subha Shree CS*	Total
1	Gross Salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,34,53,046	50,67,967	18,51,788	2,03,72,801
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	14,09,834	2,48,850	-	16,58,684
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as % of profit	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (C)	**1,48,62,880**	**53,16,817**	**18,51,788**	**2,20,31,485**

* Paid by Rane Holdings Limited (RHL), as part of the secretarial services availed by the Company.

VII. Penalties / Punishment / Compounding of Offences:

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

For and on behalf of the board

Chennai
30 April, 2018

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

L GANESH
Chairman
DIN : 00012583

ANNEXURE G TO REPORT OF THE BOARD OF DIRECTORS
CORPORATE GOVERNANCE REPORT

1. Philosophy on Code of Governance

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

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

2. Board of Directors

Composition, Attendance and Meetings

As of 31 March, 2018, the Board of Directors of the Company consists of six (6) non-executive directors with 50% of them being independent directors. The composition of the Board is in conformity with the Regulation 17 of SEBI LODR. The woman director of the Company is an Independent Director and there are no alternate directors apointed on the Board. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. None of the directors on the Board, is a member of more than 10 committees or chairperson of more than 5 committees across all listed and unlisted public companies in which he/she is a director in terms of Regulation 26 of SEBI LODR.

The Board met six (6) times during the financial year 2017-18 on 16 May, 2017; 05 August, 2017, 24 August, 2017; 22 November, 2017; 23 January, 2018 and 20 March, 2018. The names and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of directorships and committee memberships / chairperson position(s) held by them in other public companies as on 31 March, 2018 are given below:

Name of the Director (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (24 August, 2017)	Number of Directorship in other Public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	6	Yes	3	5	-	6
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	6	Yes	-	4	2	3
Ms. Anita Ramachandran (00118188)	Non-Executive & Independent	5	No	-	8	1	8
Mr. L Lakshman (00012554)	Non-Executive & Promoter	6	Yes	-	5	-	3
Mr. M Lakshminarayan (00064750)	Non-Executive & Independent	5	No	1	5	-	4
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	6	Yes	-	1	-	2
Dr. Tridibesh Mukherjee* (00004777)	Non-Executive & Independent	2	Yes	Not Applicable			

* Dr. Tridibesh Mukherjee has ceased to be a director with effect from conclusion of the meeting of 13th Annual General Meeting held on 24 August, 2017, as he did not seek re-appointment as an Independent Director for a second term.

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

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

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

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

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

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

The details of familiarisation programme for the independent directors are disclosed in the website of the Company http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met five (5) times during the year 16 May, 2017; 05 August, 2017; 23 August, 2017; 22 November, 2017 and 23 January, 2018. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman, Non-Executive & Independent	4
Mr. L Lakshman	Member, Non-Executive & Promoter	4
Dr. Tridibesh Mukherjee*	Member, Non-Executive & Independent	3
Mr. Pradip Kumar Bishnoi @	Member, Non-Executive & Independent	3

* Ceased to be a member w.e.f. 24 August, 2017 on conclusion of 13th AGM

@ Inducted as a member w.e.f. 05 August, 2017

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

The Company Secretary acts as the Secretary to the Committee.

The statutory auditors and the internal auditors were present as invitees in all the meetings. The Chief Executive Officer (CEO), Business Heads and Vice President (Finance) & CFO of the Company attended the meetings by invitation. Based on the requirement, other directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

Overall purpose and terms of reference

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

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

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

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- Evaluation of internal financial controls and risk management systems.
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto.
- Compliance with listing and other legal requirements relating to financial statements.

- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the company, as and when required.

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

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

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

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

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

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings:

The Nomination and Remuneration Committee (NRC) of the Board is constituted 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 16 May, 2017; 22 November, 2017 and 23 January, 2018. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman, Non-Executive & Independent	3
Mr. L Ganesh	Member, Non-Executive & Promoter	3
Ms. Anita Ramachandran	Member, Non-Executive & Independent	3
Mr. L Lakshman	Member, Non-Executive & Promoter	3

Terms of Reference:

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

During the year, the NRC considered inter alia, reviewed the process for evaluation of the board, its committee & directors and the compensation and benefits of senior management personnel (SMP) and key managerial personnel (KMP) of the Company. It had also recommended payment of commission to Mr. L Ganesh, Chairman; re-appointment of Independent Directors Mr. M Lakshminarayan and Ms. Anita Ramachandran, in their second term, at the 13th AGM; appointment of Mr. Pradip Kumar Bishnoi as an Independent Director, at the 13th AGM; and revision of sitting fees payable to directors.

Remuneration Policy

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

Siting Fees

The Company has paid sitting fees apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. The sitting fees per meeting of Board and its Committees with effect 16 May, 2017 are detailed hereunder:

Type of Meeting	Sitting fees per meeting (₹)
Board	40,000
Audit committee	35,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

Details of Remuneration paid to Directors

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

Name of the Director	Sitting Fees (₹)	Commission (₹)	Shares held as on 31 March, 2018 @
Mr. L Ganesh	2,82,500	1,23,53,000	839
Mr. Harish Lakshman	2,52,500	-	750
Mr. L Lakshman	4,30,000	-	-
Mr. M Lakshminarayan	3,70,000	-	-
Ms. Anita Ramachandran	2,50,000	-	-
Mr. Pradip Kumar Bishnoi	3,45,000	-	-
Dr. Tridibesh Mukherjee*	1,85,000	-	-

@ includes joint holdings & HUF, if any

* Ceased to be a Director w.e.f. 24 August, 2017 on conclusion of 13th AGM.

Note:

1. No other remuneration was paid to non-executive directors except sitting fees (other than Chairman).
2. Commission to Mr. L Ganesh, Chairman for the year 2017-18 pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 11th Annual General Meeting held on 31 July, 2015.
3. No shares were pledged by the directors. None of the other directors holds any share in the Company. There is no stock option scheme prevailing in the Company.

5. Stakeholder's Relationship Committee

Composition & Attendance of Meetings:

The Stakeholder's Relationship Committee (SRC) looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as Secretary to the Committee. The Committee met two (2) times during the year 22 November, 2017 and 23 January, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. Harish Lakshman	Chairman, Non-Executive & Promoter	2
Mr. L Lakshman	Member, Non-Executive & Promoter	2
Dr. Tridibesh Mukherjee*	Member, Non-Executive & Independent	N.A.
Ms. Anita Ramachandran^	Member, Non-Executive & Independent	2

* Ceased to be a member w.e.f. 24 August, 2017 on conclusion of 13th AGM

^ Inducted as a member w.e.f. 05 August, 2017

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

Particulars	Nature of Complaint	Received during the year	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	-	-	-	-
Through Registrar & Transfer Agent	Non-receipt of Annual Report and dividend warrant	2	2	-
Directly to Company	-	-	-	-

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

6. Corporate Social Responsibility (CSR) Committee

The CSR activities of the Company focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment. The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee. The Committee met two (2) times during the year 16 May, 2017 and 23 January, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non-Executive & Promoter	2
Mr. L Ganesh	Member, Non-Executive & Promoter	2
Ms. Anita Ramachandran	Member, Non-Executive & Independent	2

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

The terms of reference of the Committee are as follows

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

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

7. Other Committees

Share Transfer Committee

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

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. During the year one (1) meeting was held on 24 July, 2017. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Member, Non-Executive & Promoter	-
Mr. L Ganesh	Member, Non-Executive & Promoter	1
Mr. Harish Lakshman	Member, Non-Executive & Promoter	1

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 comprises of Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year no meeting was held.

Allotment Committee

The Allotment Committee has been constituted in connection with preferential issue and allotment of equity shares and convertible warrants to Rane Holdings Limited (RHL / Promoter) and to exercise the such powers delegated by the Board. During the year one meeting was held on 11 September, 2017. The details of members and their attendance are stated below:

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

Investment Committee

The Investment Committee has been constituted to explore and in detail study any proposal for acquisition, carry out activities in connection with such proposals, submit recommendations to the board, make investments and give financial support to Intermediate Holding Company (IHC) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) of the Company, from time to time, within the overall limits approved by the Board. The Committee comprises of Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members. No sitting fees is payable to the committee members. During the year no meeting was held.

8. Code of Conduct

The board of directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company viz., http://ranegroup.com/rml_investors/code-of-conduct/. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer of the Company to this effect forms part of this report.

Prevention of Insider Trading

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

9. General Body Meetings

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

Date of AGM	Special Resolutions Passed	Time	Venue
24 August, 2017 (Thirteenth AGM)	1. Re-appointment of Mr. M Lakshminarayan as an Independent Director for a second term 2. Re-appointment of Ms. Anita Ramachandran as an Independent Director for a second term 3. Appointment of Mr. Pradip Kumar Bishnoi as an Independent Director.	10.15 a.m.	The Music Academy (Mini Hall), New No. 168, T.T.K Road, Royapettah, Chennai 600 014
22 July, 2016 (Twelfth AGM)	No special resolution was passed.	10.15 a.m.	
31 July, 2015 (Eleventh AGM)	No special resolution was passed.	10.15 a.m.	

Details of last Extra-Ordinary General Meeting (EGM) is as under:

Date of EGM	Special Resolutions Passed	Time	Venue
01 September, 2017	1. Approve preferential issue of equity shares 2. Approve preferential issue of warrants. 3. Approve appointment of Mr. Aditya Ganesh, a related party, as General Manager-Corporate Planning, under Section 188 of the Companies Act, 2013	10.15 a.m.	The Music Academy (Mini Hall), New No. 168, T.T.K Road, Royapettah, Chennai 600 014

10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., except for those disclosed in **'Annexure H'** to the Report of the Board of Directors. The transactions entered with related parties during the year were in the ordinary course and arms' length basis covered under the omnibus approval of the Audit Committee and Board / Shareholders, wherever applicable.

   The details of the related party transactions as per Ind AS as stated in note no.33 of the financial statements.

   The policy on related party transaction is available on the website of the Company viz. URL: http://ranegroup.com/rml_investors/policy-on-related-party-transactions/

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

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

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

5. The Company has complied with all the mandatory requirements prescribed under Chapter IV of the SEBI LODR.

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

   i. maintaining an office for the Chairman at the registered office of the Company

   ii. adopting best practices to ensure a regime of unqualified financial statements

   iii. individual communication of half-yearly performance including summary of the significant events to shareholders

   iv. separate posts for Chairman and CEO

   v. 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/rml_investors/policy-on-material-subsidiaries/)

8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Sec 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.

9. The 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 to whistle blower who makes protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. The whistle blower policy has also been posted in the Company's website http://ranegroup.com/rml_investors/whistle-blower-policy/

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

12. Means of communication

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

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

13. General Shareholder Information

i. Information about director seeking re-appointment in the ensuing fourteenth (14th) Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2) as on 30 April, 2018.

Name of the Director	**Mr. L Lakshman**
Father's Name	Mr. L L Narayan
Director Identification Number (DIN)	00012554
Age (in years)	71
Date of Birth	17 July, 1946
Educational Qualifications	B.E., Executive MBA from London Business School
Experience	Mr. L Lakshman had been spearheading the business of Rane Group of companies and has more than 48 years of industrial experience. He provides guidance and mentorship to the management and advisory support in initiatives of strategic importance to the Group's future growth plans.
Date of first appointment on the board	31 March, 2004
Terms and Conditions of appointment	Appointment as a non-executive director, liable to retire by rotation.
Last drawn remuneration	Sitting fee for FY 2017-18 ₹ 4,30,000/-
Remuneration sought to be paid	No approval sought for remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
Relationship with other Directors/Manager/KMP	Brother of L Ganesh and Father of Harish Lakshman.
Other Directorships	**Chairman Emeritus** 1. Rane Holdings Limited **Director** 1. Rane Brake Lining Limited 2. Rane Engine Valve Limited 3. D C M Limited 4. SRF Limited 5. Rane TRW Steering Systems Private Limited 6. Rane NSK Steering Systems Private Limited
Committee Memberships in other Boards	**Member – Audit** 1. Rane Engine Valve Limited 2. SRF Limited 3. D C M Limited 4. Rane NSK Steering Systems Private Limited 5. Rane TRW Steering Systems Private Limited **Member - Nomination and Remuneration** 1. Rane Engine Valve Limited **Chairman – Corporate Social Responsibility** 1.Rane Holdings Limited 2. Rane Engine Valve Limited 3. Rane Brake Lining Limited 4. Rane NSK Steering Systems Private Limited 5. Rane TRW Steering Systems Private Limited **Member – Corporate Social Responsibility** 1. SRF Limited
Number of meetings of the Board attended during the year	Six (6)
Number of equity shares held	Nil

ii. Annual General Meeting **25 July, 2018 (Wednesday) at 10.15 a.m.**
The Music Academy (Mini Hall),
New No.168, T T K Road, Royapettah, Chennai 600 014

iii Financial Year: 01 April - 31 March

Financial Calendar

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended 31 March, 2018	30 April, 2018
Un-audited results for the 1st quarter ending 30 June, 2018	By fourth week of July 2018
Un-audited results for the 2nd quarter ending 30 September, 2018	By fourth week of October 2018
Un-audited results for the 3rd quarter ending 31 December, 2018	By fourth week of January 2019

iv. Dividend

During the year 2017-18, the board of directors declared an interim dividend of 45% (i.e., ₹ 4.50 per share) on the equity share capital on 23 January, 2018. The interim dividend was paid on 13 February, 2018 to all the eligible shareholders whose name appeared in the register of members of the Company as on 03 February, 2018 (being the Record Date) fixed for this purpose.

The board of directors of the Company at their meeting held on 30 April, 2018 have considered and recommended a final dividend of 75% (₹ 7.50 per share) on the equity share capital for approval of the shareholders at the ensuing 14th AGM to be held on 25 July, 2018. The final dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on 18 July, 2018 (being the Record Date) fixed for this purpose.

v. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RML
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	532661

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 – 2018-19 to NSE & BSE where the shares of the Company continue to be listed.

vi. Unpaid / Unclaimed Dividends

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

During the year, the Company had transferred to IEPF, being unclaimed final dividend of ₹ 82,494/- for the financial year ended 31 March, 2010 and being unclaimed interim dividend amount of ₹ 1,59,701/- for the financial year ended 31 March, 2011. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Members who have not encashed the dividend warrants are requested to make their claim to the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below: -

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2018)^ (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2011	19.07.2011	2.50	99,145.00	24.08.2018	23.09.2018
31.03.2012*	27.01.2012	5.50	2,12,729.00	03.03.2019	02.04.2019
31.03.2012	11.07.2012	4.00	1,66,872.00	16.08.2019	15.09.2019
31.03.2013*	23.01.2013	2.00	99,422.00	28.02.2020	29.03.2020
31.03.2013	18.07.2013	5.00	2,17,990.00	23.08.2020	22.09.2020
31.03.2014	31.07.2014	5.50	1,87,583.00	05.09.2021	05.10.2021
31.03.2015	31.07.2015	4.50	1,88,487.50	06.09.2022	06.10.2022
31.03.2016*	10.03.2016	3.50	1,99,778.00	16.04.2023	16.05.2023
31.03.2017*	23.01.2017	2.00	1,12,204.00	29.02.2024	30.03.2024
31.03.2017	24.08.2017	4.00	1,86,284.00	29.09.2024	29.10.2024

\# - Share of paid-up value of ₹10 per share
* - Interim dividend
^ - Amounts reflect the confirmation of balance issued by bank(s).

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on 24 August, 2017 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. http://ranegroup.com.

In respect of interim dividend of ₹ 4.50/- per share declared by the board of directors on 23 January, 2018, unpaid / unclaimed dividend has been transferred to an unclaimed dividend account on February 28, 2018. The last date for claiming such amount in terms of Section 124 of the Companies Act 2013 is 28 February, 2025.

vii. Transfer of shares to IEPF Authority

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

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

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2009-10 (Interim)	11,462
2009-10 (Final)	203
2010-11 (Interim)	3,243

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

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

viii. Unclaimed share suspense account

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

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	71	12,098
Requests for transfer during the year	46	8,563
Transfers during the year	46	8,563
Balance at the end of the year	25	3,535

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

ix. Share Price Data

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

Month	BSE Share Prices (₹)		BSE Sensex		NSE Share Prices (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2017	515.00	472.10	30,184.22	29,241.48	519.40	472.65	9,367.15	9,075.15
May 2017	533.00	425.00	31,255.28	29,804.12	506.85	423.10	9,649.60	9,269.90
June 2017	518.80	430.20	31,522.87	30,680.66	519.00	434.05	9,709.30	9,448.75
July 2017	608.30	470.00	32,672.66	31,017.11	607.75	469.00	10,114.85	9,543.55
August 2017	544.30	466.05	32,686.48	31,128.02	544.90	457.00	10,137.85	9,685.55
September 2017	579.80	470.30	32,524.11	31,081.83	580.00	471.00	10,178.95	9,687.55
October 2017	593.60	477.00	33,340.17	31,440.48	592.40	475.05	10,384.50	9,831.05
November 2017	714.00	520.10	33,865.95	32,683.59	716.00	518.10	10,490.45	10,094.00
December 2017	824.75	637.55	34,137.97	32,565.16	826.00	636.00	10,552.40	10,033.35
January 2018	960.00	681.00	36,443.98	33,703.37	970.00	680.00	11,171.55	10,404.65
February 2018	916.75	726.00	36,256.83	33,482.81	914.70	735.30	11,117.35	10,276.30
March 2018	995.00	831.00	34,278.63	32,483.84	995.00	832.05	10,525.50	9,951.90

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

x. Registrar and Transfer Agent

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

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

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

xi. Share Transfer System & Share Capital Audit

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

A reconciliation of share capital audit in terms of regulation 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, except for the quarter ended 30 September, 2017 for 10,96,892 shares allotted on 11 September, 2017 in respect of which credit corporate action / admission to NSDL and listing on BSE and NSE was completed subsequently in October 2017.

xii. Distribution of shareholding as on 31 March, 2018

No. of shares held	Shareholders		Shares held	
	Number	% to total	Number	% to total
Upto 500	8,402	87.75	6,81,297	5.87
501 - 1,000	440	4.60	3,42,426	2.95
1,001 - 2,000	324	3.38	4,96,446	4.27
2,001 – 3,000	137	1.43	3,52,401	3.04
3,001 - 4,000	73	0.76	2,66,937	2.30
4,001 - 5,000	44	0.46	2,04,394	1.76
5,001 - 10,000	87	0.91	6,24,622	5.38
10,001 & above	68	0.71	8,69,018	74.43
Total	**9,575**	**100.00**	**1,16,07,541**	**100.00**

xiii. Shares

Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depository Services (India) Limited for dematerialisation of the shares held by investors. As of 31 March, 2018, about 99.04% of the shareholdings have been dematerialised.

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

Particulars	Number of shares		% to total capital	
	As on 31 March, 2018	As on 31 March, 2017	As on 31 March, 2018	As on 31 March, 2017
Physical	1,11,509	1,19,831	0.96	1.14
Demat	1,14,96,032	1,03,90,818	99.04	98.86
Total	**1,16,07,541**	**1,05,10,649**	**100.00**	**100.00**

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

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

Demat ISIN : **INE050H01012**

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

xiv. Plant locations - Corporate Overview section of the Annual Report

xv. Address for communication:

The Compliance Officer Rane (Madras) Limited Rane Corporate Centre, "Maithri" 132, Cathedral Road, Chennai 600 086. Ph.28112472 Fax: 28112449 E-mail: investorservices@ranegroup.com	OR	Mr. K Suresh Babu, Director Integrated Registry Management Services Private Limited II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai 600 017. Phone: 28140801–03, Fax: 28142479 E-mail: corpserv@integratedindia.in

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To

The Members
Rane (Madras) Limited

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

I, hereby declare that to the best of my knowledge and information, all the board members and senior management personnel have affirmed compliance with 'Ethical Standards of Behaviour – RANE COMPASS', the code of conduct, for the year ended 31 March, 2018.

Chennai
30 April, 2018

S PARTHASARATHY
Chief Executive Officer

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO
The Mambers of
Rane (Madras) Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 24 August, 2017

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Rane (Madras) Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and 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 31 March, 2018.

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

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

ANANTHI AMARNATH
Partner
(Membership No. 209252)

Chennai
30 April, 2018

ANNEXURE H TO REPORT OF THE BOARD OF DIRECTORS

FORM NO. AOC -2

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

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

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

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

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

Sl. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Mr Aditya Ganesh, General Manager – Corporate Planning. He is the Son of Mr L Ganesh, Chairman and part of Promoter and Promoter group of the Company.
b)	Nature of contracts / arrangements / transaction	In employment of the Company in the designation of General Manager Corporate Planning. He is entitled to allowances, benefits, perquisites, contribution to funds, per the policy of the Company as applicable to employees of similar grade, in force from time to time.
c)	Duration of the contracts / arrangements / transaction	Contract of employment: effective from 04 September, 2017. The contract will continue as long as he remains an employee of the Company and shall include any promotion and / or change in designation(s) and corresponding change in terms and conditions of his employment.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	He supports the CEO in strategic business and annual operating plans of both the steering and die casting division. In addition, he also handles certain specific projects for both the divisions to enhance global sales and customer engagement.
e)	Date of approval by the Board	Approval(s) have been secured in terms of Section 177, 188 & other applicable of the Companies Act, 2013 including rules, as detailed below:
		- Audit Committee and Board of Directors at their respective meetings held on 05 August, 2017; and
		- Members of the Company at the Extra-ordinary General Meeting held on 01 September, 2017
f)	Amount paid as advances, if any	NIL

For and on behalf of the board

Chennai	**HARISH LAKSHMAN**	**L GANESH**
30 April, 2018	Vice Chairman	Chairman
	DIN : 00012602	DIN : 00012583

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RANE (MADRAS) LIMITED
REPORT ON THE STANDALONE Ind AS FINANCIAL STATEMENTS

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

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Emphasis of Matter

We draw attention to Note 39 to the standalone Ind AS financial statements regarding recognition of insurance claim recoverable of ₹ 10.08 crores during the year ended 31 March 2018 based on management's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company.

Our opinion is not modified in respect of this matter.

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 these books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

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

   e) On the basis of the written representations received from the directors of the Company as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements (refer Note 37 to standalone Ind AS financial statements).

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

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

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

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

ANANTHI AMARNATH
Partner
(Membership No. 209252)

Chennai
30 April, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(REFERRED TO IN PARAGRAPH 1 (F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ SECTION OF OUR REPORT OF EVEN DATE)

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

We have audited the internal financial controls over financial reporting of Rane (Madras) Limited (“the Company”) as of 31 March, 2018 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 31 March, 2018, 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)

ANANTHI AMARNATH
Partner
(Membership No. 209252)

Chennai
30 April, 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(REFERRED TO IN PARAGRAPH (2) UNDER 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' SECTION OF OUR REPORT OF EVEN DATE)

(i) In respect of its fixed assets (Property, Plant & Equipment and Intangible assets):

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets (Property, Plant & Equipment and Intangible assets).

(b) Some of the fixed assets (Property, Plant & Equipment) were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(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 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 and buildings whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the Mortgage deed executed between the bank and the Company for which confirmations have been obtained from respective bankers.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset (Property, Plant & Equipment) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

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 the loans, making investments and providing guarantees, as applicable.

(iv) According to the information and explanation given to us, the company has not accepted any deposit during the year. There are no unclaimed deposits outstanding at any time during the year.

(v) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vi) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services Tax, cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Entry tax and Excise Duty which have not been deposited as on 31 March, 2018 on account of disputes are given below:

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved (₹ crores)	Amount Unpaid (₹ crores)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	2007-08 to 2011-12	0.14	0.11
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2009-10 & 2012-13	0.40	0.00
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2007-08 to 2011-12	0.24	0.00
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	2012-13	0.06	0.03
Finance Act, 1994	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2007-08 to 2011-12	0.06	0.06
Finance Act, 1994	Service Tax	Assistant Commissioner	2011-12	0.07	0.04
Finance Act, 1994	Service Tax	Commissioner of Central Excise (Appeals)	2010-11 to 2015-16	0.45	0.26
Maharashtra Value Added Tax Act, 2002	Sales Tax	Commissioner (Appeals)	2005-06 to 2008-09	1.10	1.08
Karnataka Entry of Goods Act, 1979	Sales Tax	Commissioner (Appeals)	2005-06 to 2012-13	0.16	0.00
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	2009-10 to 2013-14	0.16	0.00
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner	2011-12 to 2013-14	0.44	0.00
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeal)	2010-11	0.07	0.03
Central Sales Tax Act, 1956	Sales Tax	Commissioner of Sales Tax (Appeal)	2010-11	0.92	0.83
Telangana Entry of Goods Into local Areas Act, 2001	Entry Tax	AP & Telangana High Court	2011-12 2016-17	1.00	1.00
Telangana VAT Act, 2005	Sales Tax	Commissioner (Appeals)	2012-13 to 2015-16	0.07	0.07
Income Tax Act, 1961	Income Tax	Supreme Court	1997-98	0.31	0.31
Income Tax Act, 1961	Income Tax	High Court	1996-97	0.07	0.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2008-09	7.52	5.52
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2009-10	2.75	0.00
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2010-11	1.91	1.91

Name of Statue	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount Involved (₹ crores)	Amount Unpaid (₹ crores)
Income Tax Act, 1961	Income Tax	Deputy Commissioner of Income Tax	2011-12	0.43	0.43
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2012-13	2.39	2.39
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2013-14	0.13	0.13

(vii) 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 banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.

(viii) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application.

(ix) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(x) 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.

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

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

(xiii) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.

In respect of the above issue, we further report that:

a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and

b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.

(xiv) 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.

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

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

ANANTHI AMARNATH
Partner
(Membership No. 209252)

Chennai
30 April, 2018

STANDALONE BALANCE SHEET
AS AT 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

	Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
A.	**ASSETS**				
	Non-Current Assets				
	(a) Property, plant and equipment	2	337.21	314.09	306.82
	(b) Capital Work in Progress	2	14.02	27.09	7.37
	(c) Goodwill	3	4.06	4.06	4.06
	(d) Other Intangible Assets	4	1.60	1.64	0.55
	(e) Financial Assets				
	(i) Investments	5	0.15	0.15	0.15
	(ii) Loans	6	8.47	6.48	13.26
	(iii) Other financial assets	7	17.85	7.11	3.66
	(f) Deferred Tax Asset (Net)	8	-	3.24	3.13
	(g) Tax assets (Net)	9	7.13	7.10	8.45
	(h) Other Non Current Assets	10	15.58	18.55	14.76
	Total Non-Current Assets		**406.07**	**389.51**	**362.21**
	Current Assets				
	(a) Inventories	11	135.77	110.31	93.35
	(b) Financial Assets				
	(i) Trade Receivables	12	213.44	150.67	127.58
	(ii) Cash and Cash Equivalents	13	5.60	2.94	1.65
	(iii) Bank balances other than (ii) above	14	0.16	0.36	0.98
	(iv) Loans	6	0.21	0.28	0.54
	(v) Other Financial assets	7	6.30	3.42	3.28
	(c) Other Current Assets	10	74.94	33.04	26.63
	Total Current Assets		**436.42**	**301.02**	**254.01**
	TOTAL ASSETS		**842.49**	**690.53**	**616.22**
B.	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Equity Share Capital	15	11.61	10.51	10.51
	(b) Other Equity	16	254.82	160.44	142.54
	Total Equity		**266.43**	**170.95**	**153.05**
	Liabilities				
	Non-Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17	118.65	128.91	132.04
	(ii) Other financial Liabilities	18	0.66	1.24	0.14
	(b) Provisions	19	5.46	4.78	4.15
	(c) Deferred Tax Liability (Net)	8	2.16	-	-
	(d) Other non-current liabilities	20	3.44	5.12	4.10
	Total Non-Current Liabilities		**130.37**	**140.05**	**140.43**
	Current Liabilities				
	(a) Financial Liabilities				
	(i) Borrowings	17	138.72	141.43	116.19
	(ii) Trade Payables	21	233.05	172.58	129.77
	(iii) Other financial Liabilities	18	24.99	44.23	56.51
	(b) Provisions	19	5.92	6.74	5.62
	(c) Other Current Liabilities	20	43.01	14.55	14.65
	Total Current Liabilities		**445.69**	**379.53**	**322.74**
	Total Liabilities		**576.06**	**519.58**	**463.17**
	TOTAL EQUITY AND LIABILITIES		**842.49**	**690.53**	**616.22**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board of Directors

ANANTHI AMARNATH
Partner

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

Chennai
30 April, 2018

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

	Particulars	Note No.	Year ended 31 March, 2018	Year ended 31 March, 2017
I	Revenues from Operations	22	1,237.31	1,084.47
II	Other Income	23	5.64	3.35
III	**Total Income (I+II)**		**1,242.95**	**1,087.82**
IV	**Expenses:**			
	Cost of materials consumed	24	758.95	598.89
	Changes in Inventories of finished goods, work-in-progress and stock in trade	25	(15.47)	(12.66)
	Excise duty on sale of goods		25.42	95.20
	Employee benefits expense	26	135.10	114.62
	Finance costs	27	29.42	27.80
	Depreciation and amortisation expense	28	49.89	45.29
	Other expenses	29	199.46	192.39
	Total Expenses (IV)		**1,182.77**	**1,061.53**
V	**Profit before tax (Before Exceptional Items) (III-IV)**		**60.18**	**26.29**
VI	**Exceptional Items (Refer note 39)**		**-**	**-**
VII	**Profit before tax (After Exceptional Items) (V-VI)**		**60.18**	**26.29**
VIII	**Tax Expense:**			
	(1) Current Tax	30	18.33	5.61
	(2) Deferred Tax	30	0.04	1.48
	(3) MAT Credit availed		-	(1.46)
			18.37	**5.63**
IX	**Profit for the year (VII-VIII)**		**41.81**	**20.66**
	Other Comprehensive Income			
	A. (i) Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit plans		(0.78)	(0.94)
			(0.78)	(0.94)
	(ii) Income tax relating to items that will not be reclassfied to statement of profit and loss		0.27	0.33
	B. (i) Items that may be reclassified to statement of profit and loss			
	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		0.79	0.57
			0.79	0.57
	(ii) Income tax relating to items that will be reclassified to statement of profit and loss		(0.27)	(0.20)
X	**Total other comprehensive income (A(i-ii)+B(i-ii))**		**0.01**	**(0.24)**
XI	**Total Comprehensive Income for the year (IX+X)**		**41.82**	**20.42**
XII	**Earnings Per Equity Share (Nominal value per share ₹10)**			
	(a) Basic (In ₹)	35	37.61	19.66
	(b) Diluted (In ₹)	35	36.94	19.66

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ANANTHI AMARNATH
Partner

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

Chennai
30 April, 2018

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

A. Equity Share Capital

Description	Amount
As at 01 April, 2016	10.51
Changes in Equity Share Capital	-
As at 31 March, 2017	10.51
Changes in Equity Share Capital	1.10
As at 31 March, 2018	11.61

B. Other Equity

Description	Reserves and Surplus							Other Reserves		Total Equity
	General Reserve	Securities Premium Account	Capital Redemp-tion Reserve	Amalga-mation adjust-ment Account	Retained Earnings	Money Received against Share Warrant	Total	Hedge Reserve	Total	
Balance as at 01 April, 2016	**127.70**	**3.57**	**4.50**	**(0.20)**	**7.25**	**-**	**142.82**	**(0.28)**	**(0.28)**	**142.54**
Profit for the year	-	-	-	-	20.66	-	20.66	-	-	20.66
Other comprehensive income for the year	-	-	-	-	(0.94)	-	(0.94)	0.57	0.57	(0.37)
Income tax on OCI Items	-	-	-	-	0.33	-	0.33	(0.20)	(0.20)	0.13
Total Comprehensive income for the year	**127.70**	**3.57**	**4.50**	**(0.20)**	**27.30**	**-**	**162.87**	**0.09**	**0.09**	**162.96**
Payment of Dividend	-	-	-	-	(2.10)	-	(2.10)	-	-	(2.10)
Tax on Dividend	-	-	-	-	(0.42)	-	(0.42)	-	-	(0.42)
Balance as at 31 March, 2017	**127.70**	**3.57**	**4.50**	**(0.20)**	**24.78**	**-**	**160.35**	**0.09**	**0.09**	**160.44**
Profit for the year	-	-	-	-	41.81	-	41.81	-	-	41.81
Other comprehensive income for the year	-	-	-	-	(0.78)	-	(0.78)	0.79	0.79	0.01
Income tax on OCI Items	-	-	-	-	0.27	-	0.27	(0.27)	(0.27)	(0.00)
Total Comprehensive income for the year	**127.70**	**3.57**	**4.50**	**(0.20)**	**66.08**	**-**	**201.65**	**0.61**	**0.61**	**202.26**

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

Description	Reserves and Surplus							Other Reserves		Total Equity
	General Reserve	Securities Premium Account	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Hedge Reserve	Total	
Money Received against Share Warrants	-	-	-	-	-	5.00	5.00	-	-	5.00
Premium on preferential issue of Equity shares	-	58.90	-	-	-	-	58.90	-	-	58.90
Payment of Dividend	-	-	-	-	(9.43)	-	(9.43)	-	-	(9.43)
Tax on Dividend	-	-	-	-	(1.91)	-	(1.91)	-	-	(1.91)
Transfer from retained earnings	-	-	8.23	-	(8.23)	-	-	-	-	-
Balance as at 31 March, 2018	**127.70**	**62.47**	**12.73**	**(0.20)**	**46.51**	**5.00**	**254.21**	**0.61**	**0.61**	**254.82**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ANANTHI AMARNATH
Partner

Chennai
30 April, 2018

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

	Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
A.	**Cash flow from operating activities**		
	Profit for the year	41.81	20.66
	Adjustments for :		
	Income Tax expense recognised in profit and loss	18.37	5.63
	Finance costs recognised in profit and loss	29.42	27.80
	Interest Income recognised in profit and loss	(0.65)	(1.25)
	Remeasurements of the defined benefit plans	(0.78)	(0.94)
	Net Loss / (Gain) on disposal of Property, Plant and Equipment	(0.28)	0.25
	Government Grant income	(1.70)	(1.24)
	Unrealised Exchange Loss / (Gain)	(0.35)	1.43
	Provision for Doubtful Trade receivables and advances (Net of Write back)	1.15	0.99
	Depreciation and Amortisation of non-current assets	49.89	45.29
		136.88	**98.62**
	Movements in working capital :		
	(Increase) / decrease in trade and other receivables	(63.43)	(25.41)
	(Increase) / decrease in inventories	(25.46)	(16.96)
	(Increase) / decrease in other non current assets	4.68	(3.04)
	(Increase) / decrease in other non current financial assets	(10.38)	(2.58)
	(Increase) / decrease in other current financial assets	(2.20)	(0.13)
	(Increase) / decrease in other current assets	(41.90)	(6.41)
	(Increase) / decrease in loans	0.07	0.26
	Increase / (decrease) in trade payables	60.50	43.10
	Increase / (decrease) in long term provisions	0.68	0.63
	Increase / (decrease) in short term provisions	(0.82)	1.12
	Increase / (decrease) in other non current financial liabilities	(0.58)	1.10
	Increase / (decrease) in other current financial liabilities	(0.23)	1.30
	Increase / (decrease) in other non current liabilities	0.02	2.26
	Increase / (decrease) in other current liabilities	28.46	(0.10)
	Cash generated from operations	**86.29**	**93.76**
	Income Tax paid	(13.01)	(4.26)
	Net cash (used in) / generated by operating activities	**73.28**	**89.50**
B.	**Cash flow from investing activities**		
	Interest received	0.40	0.37
	Loans	(1.98)	6.51
	Payments for Property, Plant and Equipment	(68.67)	(68.10)
	Proceeds from disposal of Property, Plant and Equipment	0.38	0.20
	Bank Balances not considered as cash and cash equivalents	0.20	0.62
	Net cash (used in) / generated by investing activities	**(69.67)**	**(60.40)**

STANDALONE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
C. Cash flow from financing activities		
Proceeds from issue of equity shares	1.10	-
Proceeds from Share premium on equity shares	58.90	-
Money Received against Share warrant	5.00	-
Proceeds from long term borrowings	51.48	23.90
Repayment of long term borrowings	(72.64)	(46.32)
Proceeds from short term borrowings	-	25.12
Repayment of short term borrowings	(2.68)	-
Dividend paid	(9.43)	(2.10)
Tax on dividend	(1.92)	(0.43)
Interest paid	(30.54)	(27.98)
Net cash (used in) / generated by financing activities	**(0.73)**	**(27.81)**
Net increase in cash and cash equivalents	**2.88**	**1.29**
Cash and cash equivalents at the beginning of the year (Refer Note 13)	2.94	1.65
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.22	-
Cash and Cash equivalents at the end of the year (Refer Note 13)	**5.82**	**2.94**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ANANTHI AMARNATH
Partner

Chennai
30 April, 2018

For and on behalf of the Board of Directors

L GANESH
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Chief Executive Officer

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Company Secretary

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

1 Summary of significant accounting policies, critical judgements and Key estimates

General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company is engaged in manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Company is having six manufacturing facilities at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

1.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements up to year ended 31 March, 2017 were prepared in accordance with the requirements of the previous Indian GAAP which includes accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 51 for an explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

1.11 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period), as explained below.

The principal accounting policies are set out below :

1.12 Property, Plant and Equipment

Property, Plant and Equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on 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.

Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method 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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Vehicles	5 Years
Furniture & Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Server and networks	3-4 Years
Capital Tooling	3-5 Years
Cost of Dies	Per production units method

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

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

1.13 Intangible assets

Goodwill

Goodwill on acquisition of separate entity is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Other Intangible assets

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

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
License Fees	Over the period of License

1.14 Impairment of tangible and intangible assets including Goodwill

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

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

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

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

1.15 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.16 Leasing

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

The Company as Lessee

Finance Lease :

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the standalone balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating Lease :

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

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

1.17 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

1.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash Flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.19 Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on realisation/repayment of the monetary items.

1.20 Revenue Recognition

Revenue from sales is recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at the fair value of consideration received or receivable, net of trade discounts, rebates, Goods and Service Tax (GST).

1.21 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

1.22 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.23 Employee benefits

(i) Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

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(ii) Defined Contribution Plans

Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund

This is a defined contribution Plan. The company contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC).The Company has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

(iii) Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

(iv) Other Long term employee benefits

Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

1.24 Research and Development expenses

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of Property, Plant and Equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and intangible assets.

1.25 Provisions and Contingent Liabilities

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

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

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the postcontract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

1.26 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

1.27 Financial instruments

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

Initial Recognition

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

Subsequent Measurement

1.27.1 Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets, except for investments forming part of interest in subsidiaries, which are measured at cost.

(i) Classification of financial assets

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

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

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b) those measured at amortised cost

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

(a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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

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

(ii) Impairment of financial assets

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

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

(iii) Derecognition of financial assets

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

1.27.2 Financial liabilities and equity instruments

(i) Classification as equity or financial liability

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

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

(a) Equity instruments

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

(b) Financial liabilities at amortised cost

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

(c) Financial liabilities at FVTPL

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

(ii) Derecognition of financial liabilities

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

1.27.3 Financial and Corporate guarantee contracts

A financial and corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial and corporate guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

1.28 Derivative financial instruments

The Company is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Company has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominate in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctations caused by transacting in foreign currency incase of future cash flows or highly probable forecast transactions.The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.29 Hedge Accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘Other income’. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1.30 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2-Inventories or value in use in Ind AS 36-Impairment of Assets.

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

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

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Level 3 - inputs are unobservable inputs for the asset or liability.

1.31 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders 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 exceptional items, if any) for the period attributable to equity shareholders 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.

1.32 Dividend

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

1.33 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) reviews the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance and the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

1.34 Use of estimates and critical accounting judgements

The preparation of financial statements in conformity with Ind AS requires the management to make certain judgements, estimates and assumptions that may effect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately as possible for the Company. These judgements and estimates only represent management's interpretation as of the dates on which they were prepared.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Actual results may differ from these judgments and estimates.

Important judgements and estimates relate largely to provisions, employee benefit plans, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

1.35 Standards issued but not yet effective

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

(ii) Ind AS 115- Revenue from Contract with Customers: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.

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

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Carrying amounts of:			
Freehold land	26.07	26.00	26.00
Buildings	73.88	69.11	66.66
Plant and equipment	231.28	212.96	208.26
Furniture and Fixtures	1.62	2.06	2.25
Office Equipments	4.01	3.78	3.41
Vehicles	0.35	0.18	0.24
Sub Total	**337.21**	**314.09**	**306.82**
Capital Work-in-progress	14.02	27.09	7.37
Total	**351.23**	**341.18**	**314.19**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at 01 April, 2016	**26.00**	**66.66**	**208.26**	**2.25**	**3.41**	**0.24**	**306.82**
Additions	-	5.48	44.21	0.47	2.29	0.06	52.51
Disposals	-	-	(0.44)	(0.01)	-	-	(0.45)
Borrowing Cost Capitalised	-	-	0.09	-	-	-	0.09
Balance as at 31 March, 2017	**26.00**	**72.14**	**252.12**	**2.71**	**5.70**	**0.30**	**358.97**
Additions	0.07	7.78	61.66	0.22	2.24	0.28	72.25
Disposals	-	-	(0.09)	(0.01)	-	-	(0.10)
Balance as at 31 March, 2018	**26.07**	**79.92**	**313.69**	**2.92**	**7.94**	**0.58**	**431.12**

Accumulated depreciation

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at 01 April, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Eliminated on disposals	-	-	-	-	-	-	-
Depreciation expense		3.03	39.16	0.65	1.92	0.12	44.88
Balance as at 31 March, 2017	**-**	**3.03**	**39.16**	**0.65**	**1.92**	**0.12**	**44.88**
Eliminated on disposals	-	-	-	-	-	-	-
Depreciation expense	-	3.01	43.26	0.65	2.01	0.11	49.03
Balance as at 31 March, 2018	**-**	**6.04**	**82.42**	**1.30**	**3.93**	**0.23**	**93.91**
Carrying amount as at 01 April, 2016	**26.00**	**66.66**	**208.26**	**2.25**	**3.41**	**0.24**	**306.82**
Carrying amount as at 31 March, 2017	**26.00**	**69.11**	**212.96**	**2.06**	**3.78**	**0.18**	**314.09**
Carrying amount as at 31 March, 2018	**26.07**	**73.88**	**231.28**	**1.62**	**4.01**	**0.35**	**337.21**

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3 Goodwill

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Cost/deemed cost	4.06	4.06	4.06
Accumulated impairment losses	-	-	-
Total	**4.06**	**4.06**	**4.06**

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units.

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Based on the assessment, management has concluded that there is no indicator of impairment for Goodwill.

4 Other Intangible Assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Carrying amounts of:			
Software Licence	1.60	1.64	0.55
	1.60	**1.64**	**0.55**

Software Licence

Particulars	As at
Cost or Deemed Cost	
Balance at beginning of the year 2016	**0.55**
Additions	1.50
Disposals	-
Balance at end of the year 2017	**2.05**
Additions	0.82
Disposals	-
Balance at end of the year 2018	**2.87**
Accumulated amortisation	
Balance at beginning of the year 2016	**-**
Amortisation expense	0.41
Balance at end of the year 2017	**0.41**
Amortisation expense	0.86
Balance at end of the year 2018	**1.27**
Carrying amount as at 01 April, 2016	**0.55**
Carrying amount as at 31 March, 2017	**1.64**
Carrying amount as at 31 March, 2018	**1.60**

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5 Investments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Investments in equity instruments (fully paid-up) (Unquoted) At cost			
Investment In Subsidiaries			
Rane (Madras) International Holdings, B.V	0.15	0.15	0.15
Total Non-Current Investments	**0.15**	**0.15**	**0.15**
Aggregate carrying value of unquoted investments	0.15	0.15	0.15
Aggregate amount of impairment in value of investments	-	-	-

6 Loans

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Non-current			
a. Loans to related parties			
- Unsecured, considered good (Refer note 33)	8.47	6.48	13.26
Total	**8.47**	**6.48**	**13.26**
Current			
a. Loans to employees			
- Unsecured, considered good	0.21	0.28	0.54
Total	**0.21**	**0.28**	**0.54**

7 Other Financial Assets

Particulars	Non- Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Security Deposits	4.58	4.28	3.35	-	-	-
Insurance Claims	10.08	-	-	4.34	2.20	2.42
Claims receivable	-	-	-	0.74	0.68	0.33
Margin money Deposits	-	-	-	0.15	0.15	0.15
Interest receivable	1.32	0.96	0.09	0.28	0.39	0.38
Commission receivable	1.87	1.87	0.22	-	-	-
Fair value Derivative Hedging receivable	-	-	-	0.79	-	-
Total	**17.85**	**7.11**	**3.66**	**6.30**	**3.42**	**3.28**

Notes: Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees.

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8 Deferred tax balances

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

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Deferred tax liabilities	(9.34)	(9.30)	(7.95)
MAT Credit	7.18	12.54	11.08
Total	**(2.16)**	**3.24**	**3.13**

Movements in Deferred Tax Liabilities

Particulars	Provision for expense	Termination benefit under VRS	Depreciation	Cash flow hedge reserve	Others	Total
As at 01 April, 2016	**4.95**	**3.00**	**(19.77)**	**0.29**	**3.58**	**(7.95)**
Charged/(Credited)						
- to profit & loss	0.98	(1.12)	(2.14)	-	0.80	(1.48)
- to other comprehensive income	-	-	-	(0.20)	0.33	0.13
As at 31 March, 2017	**5.93**	**1.88**	**(21.91)**	**0.09**	**4.71**	**(9.30)**
Charged/(Credited)						
- to profit & loss	0.35	(1.10)	0.69	-	0.02	(0.04)
- to other comprehensive income	-	-	-	(0.27)	0.27	-
As at 31 March, 2018	**6.28**	**0.78**	**(21.22)**	**(0.18)**	**5.00**	**(9.34)**

9 Non Current Tax Assets and Liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Opening Balance	7.10	8.45	7.12
Less:Current tax payable for the year	(18.33)	(5.61)	(4.21)
Add:Taxes paid	18.36	4.26	5.54
Closing Balance	**7.13**	**7.10**	**8.45**

10 Other Assets

Particulars	Non-Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Other Non Financial Assets						
Unsecured and considered good unless otherwise stated :						
Capital Advances	4.39	2.68	1.93	-	-	-
Advances paid to suppliers	-	-	-	10.74	4.02	3.40
Balance with Statutory Authorities	-	-	-	53.01	19.25	16.67
Deposit with government Authorities	7.32	5.87	4.83	-	-	-
Advance Fringe benefits tax	-	-	-	0.03	0.03	0.03
Prepayment against leasehold land	0.63	0.72	0.80	-	-	-
Tooling advance	3.24	9.28	7.20	-	-	-
Prepaid Expenses	-	-	-	2.96	2.60	1.31
Export Entitlements	-	-	-	8.20	7.14	5.22
Total	**15.58**	**18.55**	**14.76**	**74.94**	**33.04**	**26.63**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

11 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(At lower of cost or net realisable value)			
Raw materials*	28.21	19.19	16.55
Work-in-progress*	15.21	10.59	8.41
Finished goods*	73.21	64.70	54.52
Stores and spares	12.79	11.82	10.16
Goods in transit (Finished goods)*	6.35	4.01	3.71
Total	**135.77**	**110.31**	**93.35**

* Refer note 40 for details of closing inventories of raw materials, work-in-progress and finished goods.

The cost of inventories recognised as an expense during the year is as per Note No. 24.

The cost of inventories recognised as an expense includes ₹Nil (during 2016-17: ₹0.56 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹0.31 crores (during 2016-17: Nil) in respect of the reversal of such write-downs.

The mode of valuation of inventories has been stated in note 1.17

12 Trade Receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade Receivables (Unsecured)			
Considered good	213.44	150.67	127.58
Considered doubtful	3.63	3.74	2.66
Sub Total	**217.07**	**154.41**	**130.24**
Less: Allowance for doubtful debts (expected credit loss allowance)	(3.63)	(3.74)	(2.66)
Total	**213.44**	**150.67**	**127.58**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age Groups below 120 days past due comes to 0% - 10%. The Company as a policy provides for 100% for outstanding above 120 days past due.

(i) Movements in allowance for credit losses of receivables as per ECL is as below

Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	**3.74**	**2.68**
Charge in statement of profit and loss	1.15	0.99
Bad debts written off / written back	(1.26)	0.07
Balance at the end of the year	**3.63**	**3.74**

13 Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Balances with banks (including deposits with original maturity upto 3 months)			
(i) In Current account	2.89	2.77	1.50
(ii) In EEFC account	2.52	0.02	0.03
(b) Cash on hand	0.19	0.15	0.12
Total	**5.60**	**2.94**	**1.65**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Cash and cash equivalents as above	5.60	2.94	1.65
Add: Exchange loss on EEFC account	0.22	-	-
Total	**5.82**	**2.94**	**1.65**

14 Other bank balances

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Balances with banks (with original maturity period of more than 3 months but less than 12 months)			
(i) In deposit accounts	-	0.19	0.83
(b) Balances with banks in earmarked accounts			
- In Unpaid Dividend account	0.16	0.17	0.14
- In Unpaid Interest Warrant account	-	-	0.01
Total	**0.16**	**0.36**	**0.98**

15 Equity Share Capital

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
AUTHORISED :			
Equity Shares:			
2,50,00,000 Equity Shares of ₹10 each	25.00	25.00	25.00
ISSUED, SUBSCRIBED AND FULLY PAID UP :			
11,607,541 Equity Shares of ₹10 each fully paid-up	11.61	10.51	10.51
11,607,541 fully paid Equity shares of Re.10 each (as at 31 March, 2017 : 1,05,10,649; as at 01 April, 2016: 1,05,10,649)	**11.61**	**10.51**	**10.51**

15.1 Movement in Equity Share Capital

Particulars	2017-18		2016-17	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares of ₹10 each fully paid up				
At the beginning of the year	1,05,10,649	10,51,06,490	1,05,10,649	10,51,06,490
Allotment of shares under preferential issue	10,96,892	1,09,68,920	-	-
At the end of the year	**1,16,07,541**	**11,60,75,410**	**1,05,10,649**	**10,51,06,490**

Rights, preferences and restrictions attached to Shares mentioned above :

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

15.2 Shares of the Company held by holding company

Name of the Share Holder	No. of shares held as at					
	31 March, 2018		31 March, 2017		01 April, 2016	
	Nos.	%	Nos.	%	Nos.	%
Rane Holdings Ltd	70,15,048	60.44%	59,18,156	56.31%	59,18,156	56.31%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

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

Name of the Share Holder	No. of shares held as at					
	31 March, 2018		31 March, 2017		01 April, 2016	
	Nos.	%	Nos.	%	Nos.	%
Rane Holdings Ltd	70,15,048	60.44%	59,18,156	56.31%	59,18,156	56.31%

15.4 Details of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date

During the year ended 31 March, 2014, 3,46,504 equity shares of ₹10 each fully paid up were alloted to shareholders of Rane Holdings Limited (Holding Company) in the proportion of one equity share of ₹10 each in the Company for every 30 equity shares of ₹10 each held in the transferor company (Rane Diecast Limited) pursuant to the Scheme of Arrangement between Rane Diecast Limited and the Company.

16 Other Equity

Particulars		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a)	General Reserve	127.70	127.70	127.70
(b)	Securities Premium reserve	62.47	3.57	3.57
(c)	Amalgamation adjustment account	(0.20)	(0.20)	(0.20)
(d)	Capital redemption reserve	12.73	4.50	4.50
(e)	Money Received against Share warrant	5.00	-	-
(f)	Retained Earnings	46.51	24.78	7.25
(g)	Cash flow hedging reserve	0.61	0.09	(0.28)
Total		**254.82**	**160.44**	**142.54**

Particulars		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a)	**General Reserve**			
	Opening balance	127.70	127.70	119.98
	Add : Addition during the year	-	-	7.72
	Closing balance	**127.70**	**127.70**	**127.70**
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.			
(b)	**Securities Premium Account**			
	Opening balance	3.57	3.57	3.57
	Add : Addition during the year	58.90	-	-
	Closing balance	**62.47**	**3.57**	**3.57**
	Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the “Companies Act”). Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment			
(c)	**Amalgamation Adjustment account**			
	Opening balance	(0.20)	(0.20)	(0.20)
	Add : Addition during the year	-	-	-
	Closing balance	**(0.20)**	**(0.20)**	**(0.20)**
	At the time of business combination under common control, amalgamation adjustment reserve of transferor Company becomes the amalgamation adjustment reserve of transferee Company.			

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

	Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(d)	**Capital Redemption Reserve**			
	Opening balance	4.50	4.50	4.50
	Add :Addition during the year	8.23	-	-
	Closing balance	**12.73**	**4.50**	**4.50**

Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares to Rane Holdings Limited

The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in current and earlier years.

	Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(e)	**Money Received against Share warrant**			
	Opening balance	-	-	-
	Add : Addition during the year	5.00	-	-
	Closing balance	**5.00**	**-**	**-**

Ind AS 33 Earnings per Share defines ‘warrants’ as “financial instruments which give the holder the right to acquire equity shares”. Thus, effectively, warrants are the amount which would ultimately form part of the Shareholders’ funds. Since shares are yet to be allotted against the same, these are not reflected as part of Share Capital but as a separate line item – ‘Money received against share warrants.’

	Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(f)	**Retained Earnings**			
	Balance at the beginning of the year	24.78	7.25	7.24
	Profit attributable to equity shareholders of the company	41.81	20.66	13.86
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.51)	(0.61)	(0.43)
	Transfer to Capital Redemption reserve	(8.23)	-	-
	Transfer to General Reserve	-	-	(7.72)
	Payment of dividend on equity shares	(11.34)	(2.52)	(5.70)
	Balance at the end of the year	**46.51**	**24.78**	**7.25**

The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013.

In respect of the year ended 31 March, 2018, the board had declared and paid an interim dividend on equity shares at ₹4.50 per equity share amounting to ₹6.29 crores inclusive of Dividend Distribution Tax of ₹1.06 crores (For year ended 31 March, 2017 ₹2.00 per equity share amounting to ₹2.53 crores inclusive of Dividend Distribution Tax of ₹0.43 crores). The directors propose that a final dividend of ₹7.50 per share (For year ended 31 March, 2017 ₹4.00 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 8.71 crores along with Dividend Distribution tax of ₹1.79 crores (For the year ended 31 March, 2017 ₹4.20 crores along with Dividend Distribution tax of ₹0.86 crores).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in crores in INR unless otherwise stated)

Particulars		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(g)	**Hedging Reserve**			
	Balance at the beginning of the year	0.09	(0.28)	0.27
	Gain / (loss) recognised on cash flow hedges	0.79	0.57	(0.84)
	Income tax relating to gain/loss recognised on cash flow hedges	(0.27)	(0.20)	0.29
	Balance at the end of the year	**0.61**	**0.09**	**(0.28)**

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.

17 Non-current borrowings

Particulars		Non-Current			Current Maturities		
		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured - at amortised cost							
i)	**Term Loans**						
	- from Related Parties	-	-	0.10	-	0.10	0.37
ii)	Preference Share Capital	-	8.23	8.23	-	-	-
iii)	Fixed Deposits-From Related Parties	-	-	-	-	-	0.22
iv)	Fixed Deposits-Others	-	-	0.01	-	-	1.00
Sub Total		**-**	**8.23**	**8.34**	**-**	**0.10**	**1.59**
Secured - at amortised cost							
i)	Term Loans						
	- from banks	118.78	120.85	123.40	13.55	23.79	37.80
	- from Related Parties	-	-	0.56	-	0.56	2.25
ii)	External Commercial Borrowings from banks	-	-	-	-	-	2.10
Sub Total		**118.78**	**120.85**	**123.96**	**13.55**	**24.35**	**42.15**
Less: Unamortised Borrowing Costs		0.13	0.17	0.26	-	-	-
Total		**118.65**	**128.91**	**132.04**	**13.55**	**24.45**	**43.74**

Summary of borrowing arrangements

Secured loans include loan from banks, related parties and ECB. The Secured Loans outstanding as at 31 March, 2018 are secured by a charge created on the Company's fixed assets both present and future (excluding Velachery property).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

The terms of repayment of term loans are given below

As at 31 March, 2018

Secured

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
SCB - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from December 2019 with 30 months of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of Moratorium period

As at 31 March, 2017

Secured

Particulars	Terms of repayment
Rane TRW Steering Systems Private Limited -INR Long Term Loan	Repayable in 16 equal instalments commencing from September 2013
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
Kotak Mahindra Bank Ltd - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from November 2015 with 1 Year of Moratorium period
Canara Bank Ltd - INR Long Term Loan	Repayable in 20 equal quarterly instalments commencing from May 2016 with 1.5 Years of Moratorium period
ING Vysya Bank - INR Long Term Loan	Repayable in 13 equal Quarterly instalments commencing from September 2014 with 6 months of Moratorium period
Yes Bank Ltd - INR Long Term Loan	Repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period

Unsecured

Particulars	Terms of repayment
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	Repayable in 16 equal instalments commencing from September 2013
Rane Holdings Limited-Preference Shares	Cumulative Redeemable before 20 years at the option of the Shareholders

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

As at 01 April, 2016

Secured

Particulars	Terms of repayment
SCB - ECB loan	Repayable in 16 equal quarterly installments commencing from December 2012
Rane TRW Steering Systems Private Limited -INR Long Term Loan	Repayable in 16 equal instalments commencing from September 2013
HDFC Bank - INR Long Term Loan	Repayable in 8 equal quarterly instalments commencing from December 2014 with 1 Year of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
Kotak Mahindra Bank Ltd - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from November 2015 with 1 Year of Moratorium period
Canara Bank Ltd - INR Long Term Loan	Repayable in 20 equal quarterly instalments commencing from May 2016 with 1.5 Years of Moratorium period
ING Vysya Bank - INR Long Term Loan	Repayable in 13 equal Quarterly instalments commencing from September 2014 with 6 months of Moratorium period
Yes Bank Ltd - INR Long Term Loan	Repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January 2016
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period

Unsecured

Particulars	Terms of repayment
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	Repayable in 16 equal instalments commencing from September 2013
Fixed Deposits	Fixed Deposits are accepted for 2 or 3 years on cumulative/ non cumulative basis
Rane Holdings Limited-Preference Shares	Cumulative Redeemable before 20 years at the option of the Shareholders

Breach of Loan agreement

There is no breach of loan agreements with banks.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

17 Current Borrowings

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured - at amortised cost			
(a) Commercial paper	40.00	40.00	40.00
(b) Other loans from banks	2.00	15.43	6.00
(c) Bill Discounting*	6.53	3.52	5.94
(d) Sales tax deferral	0.08	0.08	0.08
Secured - at amortised cost**			
(a) Loan repayable on demand			
- from banks	0.02	0.86	1.04
(b) Other loans from banks	90.77	82.22	63.82
	139.40	**142.11**	**116.88**
Less: Unamortised Borrowing Costs	0.68	0.68	0.69
Total	**138.72**	**141.43**	**116.19**

* Bill discounting represent amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

** Secured loans include cash credit, packing credit and working capital demand loan from banks. The Secured Loans outstanding as at 31 March, 2018 are secured by way of hypothecation of inventories and book debts.

18 Other financial liabilities

Particulars	Non- Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Interest accrued but not due on borrowings	-	-	-	0.25	1.37	1.55
(b) Unpaid dividends	-	-	-	0.16	0.17	0.14
(c) Unpaid matured deposits and interest accrued thereon	-	-	-	-	-	0.02
(d) Current maturities of long-term debt	-	-	-	13.55	24.45	43.74
(e) Financial guarantee*	0.66	1.09	-	0.44	0.44	-
(f) Security Deposits - Others	-	-	-	0.36	0.34	0.30
(g) Termination benefit under Voluntary Retirement Scheme	-	0.15	0.14	0.01	-	0.15
(h) Employee benefit payable	-	-	-	7.32	7.66	6.78
(i) Derivative Liability	-	-	-	-	0.01	0.57
(j) Commission payable to Chairman	-	-	-	1.24	0.51	0.45
(k) Payables on purchase of fixed assets	-	-	-	1.66	8.62	2.15
(l) Fixed cumulative preference dividend	-	-	-	-	0.55	0.55
(m) Tax on fixed cumulative preference dividend	-	-	-	-	0.11	0.11
Total	**0.66**	**1.24**	**0.14**	**24.99**	**44.23**	**56.51**

* The financial guarantee contracts represent the corporate guarantees given by the Company on behalf of its subsidiary companies. The Company charges an arms' length price for such guarantees. The amount included above represents the higher of a) unamortised guarantee commission income or b) expected loss upon devolvement of the guarantee.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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19 Provisions

Particulars	Non-Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Provision for leave encashment (Refer note 34)	5.46	4.78	4.15	1.11	1.03	0.81
Provision for Warranty	-	-	-	4.81	5.71	4.81
Total	**5.46**	**4.78**	**4.15**	**5.92**	**6.74**	**5.62**

(i) Information about individual provisions and significant estimates

Provision for leave encashment

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

Provision for Warranty

Refer Note 1.25

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for leave encashment	Provision for Warranty
As at 01 April, 2017	**5.81**	**5.71**
Charged to profit or loss	3.09	0.77
Amounts utilised during the year	(2.33)	(1.67)
As at 31 March, 2018	**6.57**	**4.81**

20 Other liabilities

Particulars	Non-Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Revenue received in advance						
- Deferred revenue arising from Government grant (note (i) below)	3.44	5.12	4.10	1.94	1.95	1.53
(b) Statutory remittances (Contributions to GST,PF and ESIC, Withholding Taxes etc.)	-	-	-	33.70	6.39	7.52
(c) Advances and Deposits from Customers/Others	-	-	-	0.83	0.65	1.10
(d) Accrued Gratuity (Refer note 34)	-	-	-	6.54	5.56	4.50
Total	**3.44**	**5.12**	**4.10**	**43.01**	**14.55**	**14.65**

Note :

(i) The deferred revenue comprise the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in Property, Plant and Equipment.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in crores in INR unless otherwise stated)

21 Trade Payables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade payables-Other than Micro enterprises and Small enterprises	171.14	136.53	98.10
Trade payables-Micro enterprises and Small enterprises	16.35	13.21	11.42
Trade payables-Acceptances	45.56	22.84	20.25
Total	**233.05**	**172.58**	**129.77**

The dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the management based on the declaration given by such parties and relied upon by the auditors.

21.1 Micro and Small Enterprises

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:			
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:			
- Principal	16.35	13.19	11.28
- Interest	-	0.02	0.14
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:			
- Principal	17.66	-	-
- Interest	0.22	0.14	0.10
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:			
- Principal	0.14	13.51	15.04
- Interest	-	0.09	0.14
The amount of interest accrued and remaining unpaid at the end of the year ((Previous year ₹Nil crores) being interest outstanding as at the beginning of the accounting year)	-	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	0.11	0.15

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22 Revenue from operations

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Sales of Products (including excise duty of ₹ 24.57 crores for the year ended 31 March, 2018; for the year ended 31 March, 2017: ₹ 93.44 crores)*	1,197.17	1,045.31
(b)	Other operating revenues		
-	Scrap sales	16.02	13.76
-	Sale of raw materials	6.39	2.97
-	Sale of Tools	7.09	11.88
-	Export Entitlements	10.64	10.55
Total		**1,237.31**	**1,084.47**

***Note :-**

(i) Refer note 41 for details of sale of products

(ii) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended 31 March, 2018 is presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - "Revenue". The revenue from operations for the year ended 31 March, 2017 are inclusive of excise duty, and hence are not comparable with the revenue from operations for the year ended 31 March, 2018 to that extent.

23 Other Income

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Interest income earned on financial assets that are not designated at fair value through profit or loss		
-	On Deposits	0.17	0.27
-	On Supplier payments	0.12	0.11
-	On loan to RMIH B.V.	0.36	0.87
(b)	Net gain on foreign currency transactions	1.85	-
(c)	Net Gain on disposal of Property, Plant and Equipment	0.28	-
(d)	Other non-operating income		
-	Guarantee Commission	0.44	0.12
-	Government Grant Income	1.70	1.24
-	Other non-operating Income	0.72	0.74
Total		**5.64**	**3.35**

24 Cost of Materials consumed

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening stock	19.19	16.55
Add: Purchases	708.53	558.70
Less: Closing stock	28.21	19.19
Raw materials and Components consumed *@	699.51	556.06
Freight inward	14.97	11.58
Job work expenses	44.47	31.25
Total	**758.95**	**598.89**
* includes cost of raw materials and components sold	6.53	2.70
@ Refer Note 42 for details of raw materials and components consumed		

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25 Changes in Inventories of finished goods and work-in-progress

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening Stock:		
Work-in-progress	10.59	8.41
Finished goods	68.71	58.23
Closing Stock:		
Work-in-progress	15.21	10.59
Finished goods	79.56	68.71
(Increase)/Decrease in Stocks	**(15.47)**	**(12.66)**

26 Employee Benefit Expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Salaries, Wages and Bonus	112.95	94.00
(b) Contribution to Provident and Other Funds	8.98	7.60
(c) Staff Welfare Expenses	13.17	13.02
Total	**135.10**	**114.62**

27 Finance Cost

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Continuing operations		
(a) Interest costs:		
Interest on bank overdrafts and loans (other than those from related parties)	23.71	22.95
Interest on Fixed Deposits	-	0.04
Interest on loans from related parties	0.01	0.20
Discount on Commercial paper	2.83	3.06
Other Borrowing costs	2.56	0.76
Other interest expense	-	0.13
Total interest expense for financial liabilities not classified as at FVTPL	**29.11**	**27.14**
(b) Dividend on redeemable preference shares	0.31	0.66
Total	**29.42**	**27.80**

28 Depreciation and amortisation expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation on Property, plant and equipment	49.03	44.88
Amortisation of Intangible assets (note 4)	0.86	0.41
Total	**49.89**	**45.29**

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29 Other Expenses

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Power and Fuel*	27.87	25.47
Rent expense	1.23	1.10
Travelling and Conveyance	9.32	9.25
Repairs and Maintenance		
- Buildings	3.44	3.17
- Plant and Machinery	7.69	7.59
- Others	8.51	8.04
Insurance	3.89	2.90
Rates and Taxes, excluding taxes on income	1.12	0.97
Auditors' Remuneration (Refer Note 29.1)	0.40	0.41
Directors' Sitting Fees	0.21	0.13
Professional Charges	10.34	9.61
Provision for Doubtful Debts and Advances	1.15	0.99
Consumption of stores and spares (Refer note 43)	51.88	43.05
Packing materials consumed	25.64	21.88
Royalty and Technical Fees	0.80	0.64
Information Systems	3.70	3.90
Commission to Chairman	1.24	0.51
Freight Outward and Storage charges	23.20	28.89
Advertisement and Sales Promotion	6.61	6.10
Product Warranty	1.05	1.16
Trade Mark	5.84	4.96
Donation (Refer Note 29.2)	0.87	0.40
Leasehold Land Amortisation	0.09	0.09
(Gain)/ loss on disposal of Property, Plant and Equipment	-	0.25
Net loss/(gain) on foreign currency transactions	-	3.88
Increase / (decrease) of excise duty on inventory	(5.54)	0.05
Miscellaneous Expenses (Refer Note 29.2)	8.91	7.00
Total	**199.46**	**192.39**

* Includes ₹ 1.31 crores (for 2016-17, ₹ 0.94 crores) paid towards certain operating lease arrangement with third party vendors.

Included in other expenses are the below:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
29.1 Payment to auditors		
(a) For audit	0.26	0.26
(b) For taxation matters	0.05	0.03
(c) For Company Law matters	0.06	0.06
(d) For other services	0.03	0.05
(e) For reimbursement of expenses	-	0.01
Total	**0.40**	**0.41**
29.2. Expenditure incurred for Corporate social responsibility		
Total expenditure towards corporate social responsibility (included under donation and miscellaneous expenses)	0.98	0.49
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.98	0.49
Amount required to be spent u/s 135 of the Companies Act, 2013	0.45	0.49
Excess / (Shortfall)	0.53	-

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30 Tax Expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Income taxes		
Income tax recognised in profit or loss		
Current tax		
In respect of current year	18.33	4.15
	18.33	**4.15**
Deferred tax		
In respect of current year	0.04	1.48
Deferred tax recognised in profit or loss		
- In India	0.04	1.48
Total income tax expense recognised in the current year	**18.37**	**5.63**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	**60.18**	**26.29**
Income Tax expense calculated at 34.608% (2016-17: 34.608%)	20.83	9.10
Effect of concessions (research and development related to Capital and Revenue)	(2.59)	(4.13)
Interest expense related to MSME enterprises	0.04	0.04
Tax impact of unit situated in Notified State as per Section 80IC of Income Tax Act, 1961	-	(0.53)
Income on sale of fixed assets	-	0.09
Difference between book written down value and tax written down value of Depreciable assets that will reverse after the expiry of tax holiday period	-	0.99
Impact due to change in effective tax rate	0.08	-
Donation	0.15	0.07
Income exempt under Section 80JJAA of Income Tax Act, 1961	(0.14)	-
Income Tax expense recognised in profit or loss	**18.37**	**5.63**
The tax rate used for the 2017-18 and 2016-17 tax computation above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under the Indian tax law.		

31 Financial Instruments

31.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company.

The Company's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Company, maintain the Company as a going concern and maintain optimal structure.

The Company determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The Company monitors the capital structure on the basis of debt to equity, debt to capital employed etc and the maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

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The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Debt *	270.92	294.79	291.97
Cash and bank balances	(5.60)	(2.94)	(1.65)
Net debt	265.32	291.85	290.32
Total Equity**	266.43	170.95	153.05
Net debt to equity ratio	**1.00**	**1.71**	**1.90**

* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

** Equity includes all capital and reserves of the Company that are managed as capital.

31.2 Fair Value Measurement

Financial Instrument by Category

Particulars	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial Assets									
Loans	-	-	8.68	-	-	6.76	-	-	13.80
Trade Receivables	-	-	213.44	-	-	150.67	-	-	127.58
Cash and Cash Equivalents	-	-	5.60	-	-	2.94	-	-	1.65
Security Deposits	-	-	4.58	-	-	4.28	-	-	3.35
Insurance Claims	-	-	14.42	-	-	2.20	-	-	2.42
Claims receivable			0.74			0.68			0.33
Margin money Deposits	-	-	0.15	-	-	0.15	-	-	0.15
Interest receivable	-	-	1.60	-	-	1.35	-	-	0.47
Commission receivable from related parties	1.87	-	-	1.87	-	-	0.22	-	-
Fair value Derivative Hedging receivable	-	0.79	-	-	-	-	-	-	-
Total Financial Assets	**1.87**	**0.79**	**249.21**	**1.87**	**-**	**169.03**	**0.22**	**-**	**149.75**
Financial Liabilities									
Borrowings	-	-	270.92	-	-	294.79	-	-	291.97
Interest accrued but not due on borrowings	-	-	0.25	-	-	1.37	-	-	1.57
Trade Payables	-	-	233.05	-	-	172.58	-	-	129.77
Unpaid dividends	-	-	0.16	-	-	0.17	-	-	0.14
Financial guarantee	1.10	-	-	1.53	-	-	-	-	
Security Deposits - Others	-	-	0.36	-	-	0.34	-	-	0.30
Termination benefit under Voluntary Retirement Scheme	-	-	0.01	-	-	0.15	-	-	0.29
Employee benefit payable	-	-	7.32	-	-	7.66	-	-	6.78
Fair value Derivative Hedging receivable	-	-	-	-	0.01	-	-	0.57	-
Commission payable to Chairman	-	-	1.24	-	-	0.51	-	-	0.45
Payables on purchase of fixed assets	-	-	1.66	-	-	8.62	-	-	2.15
Accrued dividend on preference Shares (incl. tax)	-	-	-	-	-	0.66	-	-	0.66
Total Financial Liabilities	**1.10**	**-**	**514.97**	**1.53**	**0.01**	**486.85**	**-**	**0.57**	**434.08**

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The below tables summarise the fair value hierarchy of the financial assets/liabilities

i. The fair value hierarchy of financial assets and liabilities measured at fair value

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets					
Commission receivable from related parties	1.87	1.87	0.22	2	The fair value of the guarantee (using the principles of Ind AS 113, Fair Value Measurement) is determined based on the fee that it would be required to pay to a market participant (e.g., a bank) to provide a similar guarantee.
Derivative financial instruments: Fair value Derivative Hedging receivable	0.79	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
Total	**2.66**	**1.87**	**0.22**		
Financial liabilities					
Financial guarantee	1.10	1.53	-	2	The fair value of the guarantee (using the principles of Ind AS 113, Fair Value Measurement) is determined based on the fee that it would be required to pay to a market participant (e.g., a bank) to provide a similar guarantee.
Derivative financial liabilities: Fair value Derivative Hedging liability	-	0.01	0.57	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
Total	**1.10**	**1.54**	**0.57**		

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ii. Fair value of financial assets/liabilities (other than investment in subsidiaries) that are not measured at fair value

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016		Fair Value Hierarchy (Level 1,2,3)*
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Financial assets							
Financial assets at amortised cost:							
Loans	8.68	8.68	6.76	6.76	13.80	13.80	3
Trade Receivables	213.44	213.44	150.67	150.67	127.58	127.58	3
Cash and Cash Equivalents	5.60	5.60	2.94	2.94	1.65	1.65	3
Security Deposits	4.58	4.58	4.28	4.28	3.35	3.35	3
Insurance Claims	14.42	14.42	2.20	2.20	2.42	2.42	3
Claims receivable	0.74	0.74	0.68	0.68	0.33	0.33	3
Margin money Deposits	0.15	0.15	0.15	0.15	0.15	0.15	3
Interest receivable	1.60	1.60	1.35	1.35	0.47	0.47	3
Total Financial Assets	**249.21**	**249.21**	**169.03**	**169.03**	**149.75**	**149.75**	
Financial liabilities							
Financial liabilities held at amortised cost:							
Borrowings	270.92	270.92	294.79	294.79	291.97	291.97	3
Trade Payables	233.05	233.05	172.58	172.58	129.77	129.77	3
Unpaid dividends	0.16	0.16	0.17	0.17	0.14	0.14	3
Interest accrued but not due on borrowings	0.25	0.25	1.37	1.37	1.57	1.57	3
Security Deposits - Others	0.36	0.36	0.34	0.34	0.30	0.30	3
Termination benefit under Voluntary Retirement Scheme	0.01	0.01	0.15	0.15	0.29	0.29	3
Employee benefit payable	7.32	7.32	7.66	7.66	6.78	6.78	3
Commission payable to Chairman	1.24	1.24	0.51	0.51	0.45	0.45	3
Payables on purchase of fixed assets	1.66	1.66	8.62	8.62	2.15	2.15	3
Fixed cumulative preference dividend	-	-	0.66	0.66	0.66	0.66	3
Total Financial Liabilities	**514.97**	**514.97**	**486.85**	**486.85**	**434.08**	**434.08**	

* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This consists of listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

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31.3 Financial risk management objectives

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to forsee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the company is to hedge risk of change in the foreign currency exchange rates associated with it's direct and indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

(a) Market Risk

The Company operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Company is exposed to foreign exchange risk through its sales in the United States,European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Company holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

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

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	In ₹ (crores)	In Foreign Currency (crores)	In ₹ (crores)	In Foreign Currency (crores)	In ₹ (crores)	In Foreign Currency (crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
Financial Assets						
USD						
Loans	8.47	0.13	6.48	0.10	13.26	0.20
Trade Receivable	60.68	0.93	39.02	0.59	32.88	0.50
Advances	2.30	0.04	1.06	0.02	0.47	0.01
EUR						
Trade Receivable	5.08	0.06	3.37	0.04	1.91	0.03
Advances	0.52	0.01	0.31	-	0.59	0.01
Equity Investments	0.15	-	0.15	-	0.15	-
JPY						
Advances	0.05	0.08	-	-	-	-
GBP						
Advances	0.06	-	0.05	-	0.06	-
Sub Total	**77.31**		**50.44**		**49.32**	
Financial Liabilities						
USD						
Loans	(39.98)	(0.61)	(39.53)	(0.61)	(59.52)	(0.90)
Trade Payable	(16.58)	(0.25)	(9.91)	(0.15)	(5.84)	(0.09)
EUR						
Loans	(3.01)	(0.04)			(0.66)	(0.01)
Trade Payable	(0.49)	(0.01)	(0.69)	(0.01)	(0.38)	(0.01)
JPY						
Trade Payable	(0.05)	(0.08)	(3.13)	(5.42)	-	-
GBP						
Trade Payable	-	-	-	-	(0.05)	-
Sub Total	**(60.11)**		**(53.26)**		**(66.45)**	
Net Balance	**17.20**		**(2.82)**		**(17.13)**	

Foreign Currency sensitivity analysis

The Company is mainly exposed to US Dollar and EURO currencies.The following table details the Company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.

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Particulars	Currency USD impact		Currency EUR impact		Currency JPY impact		Currency GBP impact	
	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017
Impact on profit or loss for the year								
- Increase by 5%	0.75	3.79	0.11	0.10	-	-	-	-
- Decrease by 5%	(0.75)	(3.79)	(0.11)	(0.10)	-	-	-	-
Impact on other components of equity as at the end of the reporting period								
- Increase by 5%	0.75	3.79	0.11	0.10	-	-	-	-
- Decrease by 5%	(0.75)	(3.79)	(0.11)	(0.10)	-	-	-	-

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

Derivative Financial Instruments

The Company operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Company holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Company to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to One year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) and option contracts outstanding at the end of the reporting period:

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	Foreign Currency (In crores)	In ₹ (crores)	Foreign Currency (In crores)	In ₹ (crores)	Foreign Currency (In crores)	In ₹ (crores)
Derivatives designated as cash flow hedges						
Forward Contracts						
In USD	0.10	6.48	0.11	7.22	-	-
In JPY	-	-	-	-	14.50	8.10
Option Contracts						
In USD	0.42	28.86	-	-	-	-
Total forwards and options	**0.52**	**35.34**	**0.11**	**7.22**	**14.50**	**8.10**

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The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Not later than 1 month	2.35	0.99	-
Later than 1 month but not later than 3 months	8.77	2.95	-
Later than 3 months upto 6 months	12.88	3.28	8.10
Later than 6 months but not later than 1 year	11.34	-	-
Total	**35.34**	**7.22**	**8.10**

The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended 31 March, 2018 is as follows :

Particulars	As at 31 March, 2018
Balance at the beginning of the year	0.09
Gain/loss recognised in other comprehensive income during the year	0.79
Tax impact on above	(0.27)
Balance at the end of the year	**0.61**

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at cost value and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount at default is Nil (31 March, 2017: Nil, 31 March, 2016: Nil) for Investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

(ii) Expected credit loss for trade receivables under simplified approach

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

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(c) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

Liquidity and interest risk tables

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

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

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	180.68	90.24	-	270.92	270.92
Interest accrued but not due on borrowings	0.25	-	-	0.25	0.25
Trade Payables	233.05	-	-	233.05	233.05
Unpaid dividends	0.16	-	-	0.16	0.16
Corporate guarantee	0.43	0.67	-	1.10	1.10
Security Deposits - Others	0.36	-	-	0.36	0.36
Termination benefit under Voluntary Retirement Scheme	0.01	-	-	0.01	0.01
Employee benefit payable	7.32	-	-	7.32	7.32
Commission payable to Chairman	1.24	-	-	1.24	1.24
Payables on purchase of fixed assets	1.66	-	-	1.66	1.66
Total	**425.16**	**90.91**	**-**	**516.07**	**516.07**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March, 2017

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	164.47	122.09	8.23	294.79	294.79
Interest accrued but not due on borrowings	1.37	-	-	1.37	1.37
Trade Payables	172.58	-	-	172.58	172.58
Unpaid dividends	0.17	-	-	0.17	0.17
Corporate guarantee	0.92	0.61		1.53	1.53
Security Deposits - Others	0.34	-	-	0.34	0.34
Termination benefit under Voluntary Retirement Scheme	-	0.15	-	0.15	0.15
Employee benefit payable	7.66	-	-	7.66	7.66
Fair value Derivative Hedging receivable	0.01	-	-	0.01	0.01
Commission payable to Chairman	0.51	-	-	0.51	0.51
Payables on purchase of fixed assets	8.62	-	-	8.62	8.62
Accrued dividend on preference Shares (incl. tax)	0.66	-	-	0.66	0.66
Total	**357.31**	**122.85**	**8.23**	**488.39**	**488.39**

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 01 April, 2016

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	161.81	121.93	8.23	291.97	291.97
Interest accrued but not due on borrowings	1.57	-	-	1.57	1.57
Trade Payables	129.77	-	-	129.77	129.77
Unpaid dividends	0.14	-	-	0.14	0.14
Security Deposits - Others	0.30	-	-	0.30	0.30
Termination benefit under Voluntary Retirement Scheme	0.15	0.14	-	0.29	0.29
Employee benefit payable	6.78	-	-	6.78	6.78
Fair value Derivative Hedging receivable	0.57	-	-	0.57	0.57
Commission payable to Chairman	0.45	-	-	0.45	0.45
Payables on purchase of fixed assets	2.15	-	-	2.15	2.15
Accrued dividend on preference Shares (incl. tax)	0.66	-	-	0.66	0.66
Total	**304.35**	**122.07**	**8.23**	**434.65**	**434.65**

In addition, the Company is exposed to liquidity risk in relation to Corporate guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is invoked. These Corporate guarantees have been issued to banks under the financing facilities agreements entered into its subsidiaries companies. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. (Refer note 37)

32 Segment Reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

32.1 Product wise break up - Please refer note no. 41

32.2 Geographical Information

The Company's revenue from external customers by location of operations and information about its non current assets** by location of operations are detailed below:

Particulars	Revenue from external customers			Non - current assets**		
	Year ended 31 March, 2018	Year ended 31 March, 2016	Year ended 31 March, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
India	972.77	843.98	723.80	388.22	379.16	355.42
Rest of the world	264.54	240.49	207.24	-	-	-
Total	**1,237.31**	**1,084.47**	**931.04**	**388.22**	**379.16**	**355.42**

The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

** Non- current assets are used in the operations of the Company to generate revenues both in India and outside India.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

32.3 Information about major customers

Revenue from sale of auto components to largest customers (greater than 10% of total sales) is ₹ 448.64 crores (31 March, 2017, ₹ 329.14 crores).

33 Related Party Disclosures

		2017-18	2016-17
(a)	List of related parties where control exists		
	Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
	Subsidiary	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc.(RPDC)	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc.(RPDC)
	Other related parties where transaction have taken place during the year		
(b)	Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c)	Relative of KMP	L Lakshman Aditya Ganesh	L Lakshman
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(e)	Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG)	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)
(f)	Joint ventures of the Holding company	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

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Details of related party transactions and balances :

Description	Holding Company			Subsidiary			Key Management Personnel (KMP)			Relatives of KMP			Enterprises as defined in point (d) above			Related parties where transactions has taken place (Fellow Subsidiaries)			Joint ventures of the Holding company			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Transaction during the year																								
Professional Charges	2.93	2.86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.93	2.86	-
Professional charges - REVL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06	-
Software Expenses	3.68	4.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.68	4.23	-
Training Expenses	0.75	0.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.75	0.82	-
Miscellaneous Expenses	0.63	0.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63	0.73	-
Trademark Fee	5.75	5.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.75	5.57	-
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.73	1.74	-	-	-	-	1.73	1.74	-
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.31	-	-	-	-	-	0.31	-	-
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.24	12.98	-	-	-	-	10.24	12.98	-
Job Charges-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	0.06	-
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.11	-	0.10	0.11	-
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.12	7.05	-	9.12	7.05	-
Sales-JMA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.31	11.75	-	10.31	11.75	-
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.51	24.61	-	24.51	24.61	-
Sales Machinery-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	-	0.30	-	-
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.19	-	0.01	0.19	-
Donation-Rane Foundation	-	-	-	-	-	-	-	-	-	-	-	-	0.87	0.39	-	-	-	-	-	-	-	0.87	0.39	-
Repayment of Term Loan -RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.66)	-	-	(0.66)	-	-
Commission to Chairman	-	-	-	-	-	-	1.24	0.51	-	-	-	-	-	-	-	-	-	-	-	-	-	1.24	0.51	-
Loan to subsidiary-RMIH	-	-	-	1.92	6.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.92	6.48	-
Repayment of Loan by subsidiary-RMIH	-	-	-	-	(13.33)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.33)	-
Repayment of Preference Share Capital	(8.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.23)	-	-
Preference Dividend Paid	0.26	0.55	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.26	0.55	-
Interest on loan - RMIH	-	-	-	0.36	0.87	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.36	0.87	-
Standby letter of credit-RPDC	-	-	-	-	(13.65)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(13.65)	-
FMV Corporate Guarantee-RPDC	-	-	-	0.13	0.08	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.13	0.08	-
FMV Corporate Guarantee-RMIH	-	-	-	0.31	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.31	0.04	-
Corporate Guarantee-RMIH	-	-	-	-	31.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31.11	-
Corporate Guarantee-RPDC	-	-	-	(38.46)	51.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(38.46)	51.85	-
Salaries - Mr. S Parthasarathy	-	-	-	-	-	-	1.49	1.38	-	-	-	-	-	-	-	-	-	-	-	-	-	1.49	1.38	-

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(All amounts are in crores in INR unless otherwise stated)

Description	Holding Company			Subsidiary			Key Management Personnel (KMP)			Relatives of KMP			Enterprises as defined in point (d) above			Related parties where transactions has taken place (Fellow Subsidiaries)			Joint ventures of the Holding company			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	0.20	-	-
Sitting Fees	-	-	-	-	-	-	0.03	0.02	-	0.04	0.03	-	-	-	-	-	-	-	-	-	-	0.07	0.05	-
Balance as at year end 31, March																								
Payables	1.58	3.03	2.01	-	-	-	1.24	0.51	0.45	-	-	-	-	-	-	0.87	0.48	0.81	1.49	0.55	1.19	5.18	4.57	4.46
Receivables	-	-	-	1.87						-	-	-	-	-	-	-	0.06	0.02	7.80	5.77	3.30	9.67	5.83	3.32
Equity -RMIH	-	-	-	0.15	0.15	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15	0.15
Loan to subsidiary-RMIH	-	-	-	8.47	6.48	13.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.47	6.48	13.26
Interest on loan - RMIH	-	-	-	1.32	0.96	0.09	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.32	0.96	0.09
Standby letter of credit-RPDC	-	-	-	-	-	13.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.65
Corporate Guarantee-RMIH	-	-	-	31.29	31.11	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	31.29	31.11	-
Corporate Guarantee-RPDC	-	-	-	13.69	51.85	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13.69	51.85	-
Term loan payable-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.66	3.28	-	0.66	3.28

Details of Related Party transactions :

Description	Holding Company			Subsidiary			Key Management Personnel (KMP)			Relatives of KMP			Enterprises as defined in point (d) above			Related parties where transactions has taken place (Fellow Subsidiaries)			Joint ventures of the Holding company			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Payables																								
RHL	1.58	3.03	2.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.58	3.03	2.01
Mr L Ganesh	-	-	-	-	-	-	1.24	0.51	0.45	-	-	-	-	-	-	-	-	-	-	-	-	1.24	0.51	0.45
REVL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.35	0.40	0.62	-	-	-	0.35	0.40	0.62
RBL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.43	-	-	-	-	-	0.43	-	-
RHAI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.09	0.08	0.19	-	-	-	0.09	0.08	0.19
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.01		0.10	0.01	-
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.40	0.54	1.19	1.40	0.54	1.19
Receivables																								
RHAI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06	-
JMA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.72	2.96	-	3.72	2.96	-
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.09	2.81	3.30	4.09	2.81	3.30
REVL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02

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(All amounts are in crores in INR unless otherwise stated)

Remuneration to Key Management Personnel

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Short term benefits paid	2.63	1.78
Other Long term benefits paid	0.10	0.10
Termination Benefits	-	-
Total	**2.73**	**1.88**

34 Employee benefit plans

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

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

The total expense recognised in profit or loss of ₹ 7.40 crores (for the year ended 31 March, 2017: ₹ 6.28 crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March, 2018, contributions of ₹1.11 crores (as at 31 March, 2017: ₹0.93 crores) due in respect to 2017-18 (2016-17) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

Details of defined benefit obligation and plan assets:

(a) Leave obligations

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

The amount of provision of ₹1.11 crores (31 March, 2017 - ₹ 1.03 crores, 01 April, 2016 - ₹ 0.81 crores) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

Principal Actuarial Assumptions at Balance Sheet date	2017-18	2016-17	2015-16
Discount rate	7.69%	7.40%	8.00%
Expected rate of salary increase			
- Executives and Staff	8.00%	8.00%	8.00%
- Operators	6.00%	6.00%	6.00%
Attrition rate			
- Executives and Staff	8.00%	8.00%	8.00%
- Operators	3.00%	3.00%	3.00%

(b) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(i) Movements in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening defined benefit obligation	14.92	12.50
Current Service Cost	1.23	1.03
Interest cost	1.07	0.98
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.65	0.94
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(0.92)	(0.53)
Closing defined benefit obligation	**16.95**	**14.92**

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(ii) Movements in the fair value of the plan assets

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening fair value of plan assets	9.36	8.03
Interest income	0.71	0.75
Remeasurement gain / (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.13)	(0.12)
Contributions from the Employer	1.39	1.23
Benefits paid	(0.92)	(0.53)
Closing fair value of plan assets	**10.41**	**9.36**

(iii) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Present value of funded defined benefit obligation	16.95	14.92	12.53
Fair value of plan assets	10.41	9.36	8.03
Funded status	**6.54**	**5.56**	**4.50**
Restrictions on asset recognised	-	-	-
Net liability arising from defined benefit obligation	**6.54**	**5.56**	**4.50**

(iv) Amounts recognised in statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Service Cost :		
Current Service cost	1.23	1.03
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.36	0.31
Components of defined benefit costs recognised in profit or loss	**1.59**	**1.34**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.65	0.94
Actuarial (gains) / losses arising from changes in financial assumptions	0.13	-
Actuarial (gains) / losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	0.78	0.94
Total	**2.37**	**2.28**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in Other Comprehensive Income.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

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(v) Risk Exposure

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the company's policy for plan asset management and other relevant factors.

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	31 March, 2018	31 March, 2017	01 April, 2016
Discount Rate(s)	7.69%	7.40%	8.00%
Expected Rate(s) of salary increase			
Executives and Staff	8.00%	8.00%	8.00%
Operators	6.00%	6.00%	6.00%
Expected rate of return on plan assets	7.69%	7.40%	8.00%
Attrition Rate			
Executives and Staff	8.00%	8.00%	8.00%
Operators	3.00%	3.00%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

Change in assumption		Valuation as at		
		31 March, 2018	31 March, 2017	01 April, 2016
A.	Discount Rate + 50 BP	8.19%	7.90%	8.50%
	Defined Benefit Obligation [PVO]	16.38	14.41	12.08
	Current Service Cost	1.29	1.18	0.99
B.	Discount Rate - 50 BP	7.2%	6.9%	7.5%
	Defined Benefit Obligation [PVO]	17.57	15.47	12.95
	Current Service Cost	1.41	1.29	1.08
C.	Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% & 6.5%	8.5% & 6.5%
	Defined Benefit Obligation [PVO]	17.59	15.49	12.97
	Current Service Cost	1.41	1.29	1.08
D.	Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% & 5.5%	7.5% & 5.5%
	Defined Benefit Obligation [PVO]	16.35	14.39	12.10
	Current Service Cost	1.29	1.18	0.99

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

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

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 7.7 years (2017-7.9 years, 2016-7.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

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Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Year 1	1.12	0.99	2.37
Year 2	4.18	3.57	1.23
Year 3	1.06	1.37	1.19
Year 4	1.29	0.90	1.19
Year 5	1.59	1.10	0.78
Next 5 Years	8.29	6.97	5.73

35 Earnings per share:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Basic Earnings per share		
From continuing operations (in ₹)	37.61	19.66
Diluted Earnings per share		
From continuing operations (in ₹)	36.94	19.66

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year	41.81	20.66
Dividends paid on convertible non-participating preference shares	-	-
Earnings used in the calculation of basic earnings per share	**41.81**	**20.66**
Earnings used in the calculation of basic earnings per share from continuing operations	**41.81**	**20.66**

in Nos.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Number of equity shares of ₹ 10 each outstanding at the end of the year	1,16,07,541	1,05,10,649
(b) Weighted average number of equity shares for the purpose of basic earnings per share	1,11,17,696	1,05,10,649

Diluted Earnings per share

The earnings used in the calculation of diluted earnings per share is as follows:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Earnings used in the calculation of basic earnings per share	41.81	20.66
Earnings used in the calculation of diluted earnings per share	41.81	20.66

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

in Nos.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Weighted average number of equity shares used in the calculation of basic earnings per share	1,11,17,696	1,05,10,649
Convertible warrants	2,02,349	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,13,20,045	1,05,10,649

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

36 Operating lease arrangements

The Company as lessee

Land

The Company has taken land on lease for a period of 90 years (Pantnagar) and 20 years (Sanand) and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.

Vehicles

The Company has taken vehicles under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:

Payments recognised as an expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Minimum lease payments	0.50	0.46
	0.50	**0.46**

Non-cancellable operating lease commitments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Not later than 1 year	0.35	0.42	0.43
Later than 1 year and not later than 5 years	0.30	0.41	0.57
Later than 5 years	-	-	-
	0.65	**0.83**	**1.00**

Cancellable operating leases

The Company has cancellable operating leases for business purpose which are renewable on a periodic basis. The lease payments under cancellable operating leaes for the year ended 31 March, 2018 amounts to ₹ 0.73 crores (For the year ended 31 March, 2017 ₹ 0.64 crores)

37 Contingent Liabilities, Guarantees and Commitment

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Contingent Liabilities			
Claims against the Company not acknowledged as debt			
- Income Tax matters under appeal by the Company	15.20	18.28	18.15
- Central Excise, Service Tax and Sales tax matters under appeal by the Company	5.34	4.61	14.43
- Labour related matters under appeal by the Company	2.32	2.10	1.24
- Others- Customer claim disputed by the Company	104.29	-	-
Others			
- Income Tax matters under appeal by the Department	0.31	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipt of judgments/decisions pending at various authorities			
Guarantees and Letter of credit			
- Outstanding bank guarantees	1.18	0.47	1.07
- Corporate Guarantee	44.97	82.96	-
- Letter of credit	13.27	9.51	18.83
Commitments			
- Estimated amount of contracts remaining to be executed on capital account and not provided for	7.05	12.64	8.18
Total	**193.93**	**130.88**	**62.21**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

38 Events after the reporting date

The final dividend amount of ₹ 7.50 per share recommended by the directors is subject to the approval of shareholders in ensuing Annual General Meeting.

39 Exceptional Item

During the quarter ended 30 September, 2017, the Company had recorded an aggregate claim of ₹ 10.08 crores from a customer towards certain product quality issues.The Company has an insurance policy to cover product recall/ guarantee claims/ costs. The claim has been intimated to the insurer and has been considered as insurance claim receivable as the Company is confident of recovering this sum under the insurance policy.

40 Particulars of closing inventories of raw materials, work-in-progress and finished goods

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Raw Materials and components			
Steel Forgings	5.06	3.11	2.84
Castings	1.67	1.21	0.88
Steel Tubes	0.17	0.05	0.06
Aluminium	1.04	0.62	0.95
Aluminium Pumps & Tubes	0.97	0.98	1.10
Others (individually less than 10% of the total raw materials and components inventory)	19.30	13.22	10.72
Total	**28.21**	**19.19**	**16.55**
Work-in-progress			
Steering and Suspension Linkage Products	8.16	5.44	3.70
Steering Gear Products	4.39	2.25	3.05
Hydrostatic Steering Units	1.01	0.88	0.21
Diecasting products	1.65	2.02	1.45
Total	**15.21**	**10.59**	**8.41**
Finished goods (including Goods in Transit)			
Steering and Suspension Linkage Products	28.25	19.94	22.85
Steering Gear Products	18.72	18.33	10.23
Hydrostatic Steering Units	2.80	1.10	2.33
Diecasting products	26.35	24.30	18.26
Other Auto components	3.44	5.04	4.56
Total	**79.56**	**68.71**	**58.23**

41 Details of sale of products

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Steering and Suspension Linkage Products	418.33	373.64
Steering Gear Products	568.91	474.99
Hydrostatic Steering Units	40.42	21.76
Diecasting products	127.58	133.81
Other Auto components	41.93	41.11
Total	**1,197.17**	**1,045.31**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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42 Details of Raw Materials and components consumed

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
Steel Forgings		194.80		127.66
Castings		62.13		57.45
Steel Tubes		115.91		95.76
Aluminium		52.36		54.53
Aluminium pumps and tubes		7.34		5.85
Other Auto parts		32.28		29.16
Others (individually less than 10% of the total consumption)		228.16		182.95
Total		**692.98**		**553.36**
Imported	11.13%	77.15	10.51%	58.17
Indigenous	88.87%	615.83	89.49%	495.19
	100.00%	**692.98**	**100.00%**	**553.36**

43 Stores, Spares and Tools consumed

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
Imported	2.11%	1.09	3.28%	1.41
Indigenous	97.89%	50.79	96.72%	41.64
Total	**100.00%**	**51.88**	**100.00%**	**43.05**

44 Value of Imports calculated on CIF basis

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Raw materials	5.47	40.37
Components	27.54	20.17
Stores, Spares & Tools	2.09	1.28
Capital goods	5.15	10.12
Total	**40.25**	**71.94**

45 Research and Development cost

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Capital expenditure	2.60	3.82
Revenue expenditure:		
i) Materials	0.36	0.56
ii) Employee benefits	5.24	4.54
iii) Professional fees	0.31	0.41
iv) Consumables	0.72	0.77
v) Travel expenses	0.54	0.46
vi) Others	0.89	0.97
Total	**10.66**	**11.53**

Note: The above expenditure has been incurred by all the units of the company. However deduction under Section 35(2AB) of the Income Tax Act , 1961 is being claimed only for Velachery and Puducherry unit.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

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46 Expenditure in foreign currency

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Travelling expenses	0.88	0.89
Freight outward and storage charges	1.59	3.08
Sales promotion expenses	2.11	1.76
Interest	0.35	1.48
Royalty, Professional, Technical Fees and others	2.14	1.45
Total	**7.07**	**8.66**

47 Earnings in foreign exchange

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
FOB Value of Exports	232.50	216.31

48 Disclosure as per Regulation 34(3) read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulation, 2015

Loans and advances in the nature of loan

Name of the Party	Amount outstanding as at 31 March, 2018	Maximum balance outstanding during the year
Subsidiaries		
Rane (Madras) International Holdings B.V (RMIH)		
Loan	8.47	8.47
	(6.48)	(20.58)
Interest	1.32	1.32
	(0.96)	(0.96)

Note: Figures in bracket relate to the previous year.

49 Details on Derivative Instruments

I. The following derivative positions are open as at 31 March, 2018

(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.

Outstanding forward exchange contracts and option contracts entered into by the Company as on 31 March, 2018

Currency	Buy/Sell	Amount (₹ in crores)	Cross Currency
USD	Sell	35.34	Rupees
USD	Sell	(7.22)	Rupees

Note: Figures in bracket relate to the previous year

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50 Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Amount	Particulars	Purpose
Loans Given			
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	8.47	Loan to WOS	For Equity investment of RMIH to RPDC, Payment of EXIM Bank loan interest, meeting local establishment expenses
Investment Made			
Rane (Madras) International Holdings B.V. (WOS)	0.15	Investment in WOS	Equity Investment
Guarantees Given			
Rane (Madras) International Holdings B.V. (WOS)	31.29	Corporate Guarantee on behalf of WOS	Given to EXIM Bank towards the bank's Financing arrangement to WOS
Rane Precision Die Casting Inc. (Step Down subsidiary-SDS)	13.69	Corporate Guarantee on behalf of SDS	Given to EXIM Bank towards the bank's Financing arrangement to SDS

51 Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS balance sheet at 01 April, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1Deemed cost

The Company has elected to measure all of its Property, Plant and Equipment and intangible assets at their previous GAAP carrying value adjusted for the impact of outstanding government grant relating to purchase of Property Plant and Equipment and use the value so arrived as the deemed cost of the Property, Plant and Equipment and intangible assets.

A.1.2 Leases

The Company has elected to assess whether a contract or arrangement contains a lease on a prospective basis i.e. on the basis of facts and circumstances existing at the date of transition to Ind AS.

A.1.3 Investments in subsidiaries

On transition, Ind AS 101 allows the entity to measure investments in subsidiary either at cost determined in accordance with Ind AS 27 or deemed cost. Accordingly, the Company has elected to treat cost as deemed cost for its investments held in a subsidiary.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates except Impairment of financial asset based on expected credit loss model as the same was not required under previous GAAP.

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A.2.2 Classification and measurement of financial assets

The Company has done the assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

A.2.4 Government Grants and Loans

The Company has applied Ind AS 109 'Financial Instruments' and Ind AS 20 'Accounting for Government Grants and disclosure of Government Assistance' prospectively to Government loans existing at the date of transition and the Company has not recognised the corresponding benefit of the Government loans at the below market rate of interest as a Government grant. Consequently, the Company has used the previous GAAP carrying amount of the Government loans at the date of transition as the carrying amount of these loans in the opening Ind AS Balance Sheet.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

First-time Ind AS adoption reconciliations

51.1 Effect of Ind AS adoption on the Balance Sheet as at 31 March, 2017 and 01 April, 2016

Particulars	Notes	As at 31 March, 2017 (End of last period presented under previous GAAP)			As at 01 April, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Non-Current Assets							
Property, plant and equipment	(i),(ii)	306.72	7.37	314.09	301.48	5.34	306.82
Capital work-in-progress		27.09	-	27.09	7.37	-	7.37
Goodwill	(iii)	2.03	2.03	4.06	4.06	-	4.06
Other intangible assets		1.64	-	1.64	0.55	-	0.55
Financial assets							
(i) Investments		0.15	-	0.15	0.15	-	0.15
(ii) Loans		6.48	-	6.48	13.26	-	13.26
(iii) Other financial assets	(iv)	5.24	1.87	7.11	3.43	0.23	3.66
Deferred tax assets (Net)	(v)	3.64	(0.40)	3.24	3.07	0.06	3.13
Tax assets (Net)		7.65	(0.55)	7.10	8.68	(0.23)	8.45
Other non-current assets	(ii)	17.80	0.75	18.55	13.95	0.81	14.76
Total Non-Current Assets		**378.44**	**11.07**	**389.51**	**356.00**	**6.21**	**362.21**
Current Assets							
Inventories		110.31	-	110.31	93.35	-	93.35
Financial assets							
(i) Trade receivables	(vi), (vii)	147.51	3.16	150.67	121.80	5.78	127.58
(ii) Cash and cash equivalents		2.94	-	2.94	1.65	-	1.65
(iii) Bank balances other than (ii) above		0.36	-	0.36	0.98	-	0.98
(iv) Loans		0.28	-	0.28	0.54	-	0.54
(v) Other financial assets		3.42	-	3.42	3.28	-	3.28
Other current assets		33.04	-	33.04	26.63	-	26.63
Total Current Assets		**297.86**	**3.16**	**301.02**	**248.23**	**5.78**	**254.01**
Total Assets		**676.30**	**14.23**	**690.53**	**604.23**	**11.99**	**616.22**
Equity							
Equity share capital	(viii)	18.74	(8.23)	10.51	18.74	(8.23)	10.51
Other equity		158.19	2.25	160.44	141.88	0.66	142.54
Total Equity (Shareholders' funds under previous GAAP)		**176.93**	**(5.98)**	**170.95**	**160.62**	**(7.57)**	**153.05**
Non-Current Liabilities							
Financial liabilities							
(i) Borrowings	(vii),(ix)	120.86	8.05	128.91	124.07	7.97	132.04
(ii) Other financial liabilities	(iv)	0.15	1.09	1.24	0.14	-	0.14
Provisions		4.78	-	4.78	4.15	-	4.15
Other non-current liabilities	(i)	-	5.12	5.12	-	4.10	4.10
Total Non-Current Liabilities		**125.79**	**14.26**	**140.05**	**128.36**	**12.07**	**140.43**
Current Liabilities							
Financial liabilities							
(i) Borrowings	(vi)	137.90	3.53	141.43	110.25	5.94	116.19
(ii) Trade payables		172.59	(0.01)	172.58	129.78	(0.01)	129.77
(iii) Other financial liabilities	(iv)	43.75	0.48	44.23	56.51	-	56.51
Provisions		6.74	-	6.74	5.62	-	5.62
Other current liabilities	(i)	12.60	1.95	14.55	13.09	1.56	14.65
Total Current Liabilities		**373.58**	**5.95**	**379.53**	**315.25**	**7.49**	**322.74**
Total Liabilities		**499.37**	**20.21**	**519.58**	**443.61**	**19.56**	**463.17**
Total Equity and Liabilities		**676.30**	**14.23**	**690.53**	**604.23**	**11.99**	**616.22**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

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51.2 Reconciliation of Total Equity as at 31 March, 2017 and 01 April, 2016

Particulars	Notes	As at 31 March, 2017	As at 01 April, 2016
Total Equity (shareholders' funds) under previous GAAP		**176.93**	**160.62**
Charge of Deferred income of Government Grant	(i)	2.52	1.32
Reversal of amortisation of goodwill	(iii)	2.03	-
Measurement of financial guarantee contracts issued	(iv)	0.34	0.22
Loan at amortised cost	(ix)	0.17	0.26
Redeemable preference shares classified as a liability under Ind AS	(vii)	(8.23)	(8.23)
Depreciation on asset related government grant	(i)	(1.23)	(0.48)
Reclassification of Government Grant as per Ind AS	(i)	(0.29)	(0.33)
Provision on expected credit losses on trade receivables	(vii)	(0.21)	(0.03)
Deferred tax adjustment	(v)	(1.08)	(0.30)
Total adjustment to Equity		**(5.98)**	**(7.57)**
Total Equity under Ind AS		**170.95**	**153.05**

51.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31 March, 2017

Particulars	Notes	Previous GAAP	Effect of transition	Ind AS
Revenue from operations	(x), (xiii)	1,098.51	(14.04)	1,084.47
Other income	(i),(iv)	1.98	1.37	3.35
Total Income (A)		**1,100.49**	**(12.67)**	**1,087.82**
Expenses				
Cost of materials consumed		598.93	(0.04)	598.89
Changes in inventories of finished goods, stock-in-trade and work-in-progress		(12.66)	-	(12.66)
Excise duty on sale of goods		95.20	-	95.20
Employee benefits expense	(xi)	115.56	(0.94)	114.62
Finance costs	(viii),(ix)	27.05	0.75	27.80
Depreciation and amortisation expense	(i),(ii)	46.65	(1.36)	45.29
Other expenses	(viii),(ii)	206.09	(13.70)	192.39
Total expenses (B)		**1,076.82**	**(15.29)**	**1,061.53**
Profit before tax (A-B)		**23.67**	**2.62**	**26.29**
Tax expense				
(1) Current tax		3.82	0.33	4.15
(2) Deferred tax	(v)	0.89	0.59	1.48
Total tax expense		**4.71**	**0.92**	**5.63**
Profit for the year		**18.96**	**1.70**	**20.66**
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	(xi)	-	(0.94)	(0.94)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.33	0.33
B (i) Items that may be reclassified to profit or loss				
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(xii)	-	0.57	0.57
(ii) Income tax relating to items that may be reclassified to profit or loss		-	(0.20)	(0.20)
Total other comprehensive income [A (i-ii)+ B (i-ii)]		**-**	**(0.24)**	**(0.24)**
Total comprehensive income for the year		**18.96**	**1.46**	**20.42**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

51.4 Reconciliation of Total Comprehensive Income for the year ended 31 March, 2017

Particulars	Notes	Year ended 31 March, 2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		**18.96**
Adjustments :		
Impairment of Goodwill	(iii)	2.03
Charge of Deferred income of Government Grant	(i)	1.24
Remeasurement of post employment benefit obligations	(xi)	0.62
Measurement of financial guarantee contracts issued	(iv)	0.12
Depreciation on asset related government grant	(i)	(0.75)
Dividend on redeemable preference shares	(viii)	(0.67)
Provision on expected credit losses on trade receivables	(vii)	(0.20)
Loan at amortised cost	(ix)	(0.09)
Deferred tax adjustment	(v)	(0.60)
Total effect of transition to Ind AS		**1.70**
Profit for the year as per Ind AS		**20.66**
Other comprehensive Income for the year (net of tax)		
Remeasurements of the defined benefits plans	(xi)	(0.62)
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(xii)	0.37
Total Comprehensive Income under Ind AS		**20.42**

Note : Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

51.5 Effect of Ind AS adoption on the Statement of Cash Flows for the year ended 31 March, 2017

Particulars	Previous GAAP	Effect of transition	Ind AS
Net cash flows from operating activities	97.41	(7.91)	89.50
Net cash flows from investing activities	(70.72)	10.32	(60.40)
Net cash flows from financing activities	(25.40)	(2.41)	(27.81)
Net increase (decrease) in cash and cash equivalents	**1.29**	**-**	**1.29**
Cash and cash equivalents at the beginning of the year	1.65	-	1.65
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the year	**2.94**	**-**	**2.94**

51.6 Analysis of cash and cash equivalents as at 31 March, 2017 and as at 01 April, 2016 for the purpose of Statement of Cash Flows under Ind AS

Particulars	As at 31 March, 2017	As at 01 April, 2016
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	**2.94**	**1.65**
Bank overdrafts which form an integral part of cash management system	-	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	**2.94**	**1.65**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

Notes to first time adoption :

(i) Government Grants

(a) Under the previous GAAP, Export promotion capital goods (EPCG) benefit received was netted off with the value of related Property, Plant & Equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as grant and recognised by way of setting up as deferred income.

(b) Under previous GAAP the Company has recognised the governement grant related to procurement of assets under Capital Reserve. Under Ind AS asset related Government grants are required to be presented as deferred income and amortised over the useful life of the asset.

(ii) Leasehold Land

Under previous GAAP, the Company has taken land on lease for a period of 90 years and capitalised as "leasehold land" in the books considering the same as Finance lease. Under Ind AS the asset with indefinite useful life should be considered as operating lease only. Hence, the leasehold land is derecognised from Property, Plant and Equipment and classified as prepayments under other non-current assets.

(iii) Goodwill

Under the previous GAAP, Goodwill was amortised over the useful life. As per Ind AS 36 "Impairment of Assets", Goodwill and Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

(iv) SBLC and Corporate Guarantee

The Company has provided Corporate guarantee to lenders of money to its subsidiary Rane (Madras) International Holdings B.V and its step down subsidiary Rane Precision Die Casting Inc. Under the previous GAAP financial guarantees so provided were disclosed as contingent liability. Under Ind AS, such guarantees are recorded initially at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

(v) Deferred tax

Deferred tax has been recognised on the adjustments made on transition to Ind AS.

(vi) Bill Discounting

Under previous GAAP customer bill discounting with recourse is derecognised from Trade receivables and shown as contingent liability. Under Ind AS customer bill discounting with recourse are recognised as Trade receivable with corresponding liability in Borrowings based on assesment of risk and rewards of ownership of receivables discounted.

(vii) Expected Credit Loss

Under previous GAAP, provision for bad and doubtful debts was recognised as per the internal policy of the Company based on ageing of Trade Receivables. Under Ind AS, the impairment loss allowance on account of Trade receivables is created based on a provision matrix computed under the Expected credit loss method.

(viii) Preference shares classification

Under the previous GAAP, preference shares are shown under Share Capital. Under Ind AS the preference shares should be classified as financial liability and measured at amortised cost since the instruments are redeemable and does not evidence any residual interest in the Company.

(ix) Borrowings

Under previous GAAP transaction fees on borrowings were charged off to expense during availment of loan. Under Ind AS the transaction cost is required to be deducted from the carrying amount of the borrowings on the initial recognition. These costs are recognised in the statement of profit and loss over the tenor of the borrowing as part of the interest expense by applying the Effective interest rate method.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

(x) Discount and incentives

Under the previous GAAP, discounts in the nature of cash and volume discount have been presented as item of expense in the statement of profit and loss account. However under Ind AS, revenue is to be recognised at the fair value of consideration received or receivable after considering such discounts.

(xi) Actuarial gain and loss

Under previous GAAP, actuarial gains or losses were recognised as Employee Benefit expenses in profit or loss. Under Ind AS, the actuarial gains or losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of Profit or Loss.

(xii) Hedging

Under previous GAAP, discount/premium on forward/Option contracts were amortised over the tenor of the forward/Option contract. Under Ind AS, the Company is required to designate Hedge as Fair value Hedge or Cash Flow Hedge. Fair value Hedges are hedges of the fair value of assets or liabilities or a firm commitment and cash flow hedges are hedges of a particular risk associated with the cash flows of highly probable forecast transactions. Accordingly, resulting gain or loss in an effective cash flow hedge has been adjusted in other comprehensive income and ineffective portion has been taken to statement of profit and loss account.

(xiii) Excise Duty

Under previous GAAP, cash discounts and rebates passed on to customers were recorded in other expenses. Under Ind AS, these are reflected as adjustments to revenue for sale of products. Under previous GAAP, excise duty on sale of goods was adjusted in revenue from sale of products whereas under Ind AS, it is considered as a production cost and hence, disclosed seperately as an expense in the statement of profit and loss.

52 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 30 April, 2018.

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

Chennai
30 April, 2018

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RANE (MADRAS) LIMITED
REPORT ON THE CONSOLIDATED Ind AS FINANCIAL STATEMENTS

We have audited the accompanying Consolidated Ind AS financial statements of Rane (Madras) Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiary referred to below in the Other Matters paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the Consolidated state of affairs of the Group as at 31 March, 2018, and their Consolidated profit, Consolidated total comprehensive income, their Consolidated cash flows and Consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 38 to the Consolidated financial statements regarding recognition of insurance claim recoverable of ₹10.08 crores during the year ended 31 March, 2018 based on Holding company's assessment of the certainty of recoverability of insurance claim, the settlement of which is subject to survey and admission by the Insurance Company.

Our opinion is not modified in respect of this matter.

Other Matters

(a) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 99.92 crores as at 31 March, 2018, total revenues of ₹ 185.87 crores and net cash inflows amounting to ₹ 0.51 crores for the year ended on that date, as considered in the Consolidated Ind AS 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of a subsidiary, whose financial statements reflect total assets of ₹ 34.56 crores as at 31 March, 2018, total revenues of ₹ 3.84 crores and net cash outflows amounting to ₹ 1.50 crores for the year ended on that date, as considered in the Consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary 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 Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors and the financial statements certified by the Management.

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

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

Report on Other Legal and Regulatory Requirements

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company, is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”, which is based on the auditor’s reports of the Holding Company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of Holding Company only, since the subsidiaries are incorporated outside India.

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

   i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the Consolidated financial position of the Group (refer Note 36 to Consolidated Ind AS financial statements).

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

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

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

ANANTHI AMARNATH
Partner
(Membership No. 209252)

Chennai
30 April, 2018

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(REFERRED TO IN PARAGRAPH (F) UNDER ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’ SECTION OF OUR REPORT OF EVEN DATE)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March, 2018, we have audited the internal financial controls over financial reporting of Rane (Madras) Limited (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, 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 (the 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 Holding 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 Holding 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 Holding 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 Holding Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on "the 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)

ANANTHI AMARNATH
Partner
(Membership No. 209252)

Chennai
30 April, 2018

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

Particulars	Note No.	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
A. ASSETS				
Non-Current Assets				
(a) Property, plant and equipment	2	378.87	357.33	358.11
(b) Capital Work in Progress	2	16.23	27.55	7.39
(c) Goodwill	3	6.03	6.03	6.03
(d) Other Intangible Assets	4	1.60	1.64	0.55
(e) Financial Assets				
(i) Other financial assets	5	16.64	7.68	3.34
(f) Deferred Tax Asset	6	-	0.91	3.13
(g) Tax assets (Net)	7	7.33	6.97	8.43
(h) Other Non Current Assets	8	19.04	21.09	12.35
Total Non-Current Assets		**445.74**	**429.20**	**399.33**
Current Assets				
(a) Inventories	9	152.54	126.37	100.96
(b) Financial Assets				
(i) Trade Receivables	10	245.53	188.09	170.91
(ii) Cash and Cash Equivalents	11	6.88	5.61	1.69
(iii) Bank balances other than (ii) above	12	0.16	0.36	0.98
(iv) Loans	13	0.21	0.29	0.54
(v) Other Financial assets	5	6.30	3.42	3.29
(c) Other Current Assets	8	75.23	33.18	26.85
Total Current Assets		**486.85**	**357.32**	**305.22**
TOTAL ASSETS		**932.59**	**786.52**	**704.55**
B. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	11.61	10.51	10.51
(b) Other Equity	15	218.13	146.69	140.88
Total Equity		**229.74**	**157.20**	**151.39**
Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	149.31	157.42	132.04
(ii) Other financial Liabilities	17	-	0.15	0.14
(b) Provisions	18	5.46	4.78	4.15
(c) Deferred tax liability	6	2.16	-	-
(d) Other non-current liabilities	19	4.71	7.82	8.66
Total Non-Current Liabilities		**161.64**	**170.17**	**144.99**
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	186.95	180.30	149.37
(ii) Trade Payables	20	255.36	196.77	146.69
(iii) Other financial Liabilities	17	34.86	45.33	72.07
(b) Provisions	18	5.92	6.74	5.62
(c) Other Current Liabilities	19	58.12	30.01	34.42
Total Current Liabilities		**541.21**	**459.15**	**408.17**
Total Liabilities		**702.85**	**629.32**	**553.16**
TOTAL EQUITY AND LIABILITIES		**932.59**	**786.52**	**704.55**

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 of Directors

ANANTHI AMARNATH
Partner

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

Chennai
30 April, 2018

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

	Particulars			Note No.	Year ended 31 March, 2018	Year ended 31 March, 2017
I	Revenues from Operations			21	1,423.18	1,290.24
II	Other Income			22	8.87	11.48
III	**Total Income (I+II)**				**1,432.05**	**1,301.72**
IV	**Expenses:**					
	Cost of materials consumed			23	818.75	664.01
	Changes in Inventories of finished goods, work-in-progress and stock in trade			24	(16.90)	(11.58)
	Excise duty on sale of goods				25.42	95.20
	Employee benefits expense			25	218.44	202.88
	Finance costs			26	33.35	30.19
	Depreciation and amortisation expense			27	61.43	57.16
	Other expenses			28	251.46	251.30
	Total Expenses (IV)				**1,391.95**	**1,289.16**
V	**Profit before tax (Before Exceptional Items) (III-IV)**				**40.10**	**12.56**
VI	**Exceptional Items (Refer note 38)**				**-**	**-**
VII	**Profit before tax (After Exceptional Items) (V-VI)**				**40.10**	**12.56**
VIII	**Tax Expense:**					
	(1) Current Tax			29	18.15	5.81
	(2) Deferred Tax			29	(2.27)	3.89
	(3) MAT Credit avalied				-	(1.46)
					15.88	**8.24**
IX	**Profit for the year (VII-VIII)**				**24.22**	**4.32**
	Other Comprehensive Income					
	A.	(i)	Items that will not be reclassified to statement of profit and loss			
			Remeasurements of the defined benefit plans		(1.82)	1.61
					(1.82)	1.61
		(ii)	Income tax relating to items that will not be reclassfied to statement of profit and loss		0.27	0.33
	B.	(i)	Items that may be reclassified to statement of profit and loss			
		(a)	Exchange Differences on translation of foreign operations		(4.30)	1.72
		(b)	Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge		0.79	0.55
					(3.51)	2.27
		(ii)	Income tax relating to items that will be reclassified to statement of profit and loss		(0.27)	(0.20)
X	**Total other comprehensive income (A(i-ii)+B(i-ii))**				**(5.33)**	**4.01**
XI	**Total Comprehensive Income for the period (IX+X)**				**18.89**	**8.33**
XII	**Earnings Per Equity Share (Nominal value per share ₹10)**					
	(a)	Basic (In ₹)		34	21.78	4.11
	(b)	Diluted (In ₹)		34	21.40	4.11

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ANANTHI AMARNATH
Partner

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

Chennai
30 April, 2018

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

A. Equity Share Capital

Description	Amount
As at 01 April, 2016	10.51
Changes in Equity Share Capital	-
As at 31 March, 2017	10.51
Changes in Equity Share Capital	1.10
As at 31 March, 2018	11.61

B. Other Equity

Description	Reserves and Surplus							Other Reserves			Total Equity
	General Reserve	Securities Premium Account	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Foreign Currency Translation Reserve	Hedge Reserve	Total	
Balance as at 01 April, 2016	**127.70**	**3.57**	**4.50**	**(0.20)**	**5.62**	**-**	**141.19**	**(0.03)**	**(0.28)**	**(0.31)**	**140.88**
Profit for the year	-	-	-	-	4.32	-	4.32	-	-	-	4.32
Other comprehensive income for the year	-	-	-	-	1.61	-	1.61	1.72	0.55	2.27	3.88
Income tax on OCI Items	-	-	-	-	0.33	-	0.33	-	(0.20)	(0.20)	0.13
Total Comprehensive income for the year	**127.70**	**3.57**	**4.50**	**(0.20)**	**11.88**	**-**	**147.45**	**1.69**	**0.07**	**1.76**	**149.21**
Payment of Dividend	-	-	-	-	(2.10)	-	(2.10)	-	-	-	(2.10)
Tax on Dividend	-	-	-	-	(0.42)	-	(0.42)	-	-	-	(0.42)
Balance as at 31 March, 2017	**127.70**	**3.57**	**4.50**	**(0.20)**	**9.36**	**-**	**144.93**	**1.69**	**0.07**	**1.76**	**146.69**
Profit for the year	-	-	-	-	24.22	-	24.22	-	-	-	24.22
Other comprehensive income for the year	-	-	-	-	(1.82)	-	(1.82)	(4.30)	0.79	(3.51)	(5.33)
Income tax on OCI Items	-	-	-	-	0.27	-	0.27	-	(0.27)	(0.27)	-
Total Comprehensive income for the year	**127.70**	**3.57**	**4.50**	**(0.20)**	**32.03**	**-**	**167.60**	**(2.61)**	**0.59**	**(2.02)**	**165.58**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

Description	Reserves and Surplus							Other Reserves			Total Equity
	General Reserve	Securities Premium Account	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Money Received against Share Warrant	Total	Foreign Currency Translation Reserve	Hedge Reserve	Total	
Money Received against Share Warrants	-	-	-	-	-	5.00	5.00	-	-	-	5.00
Premium on preferential issue of Equity shares	-	58.90	-	-	-	-	58.90	-	-	-	58.90
Payment of Dividend	-	-	-	-	(9.43)	-	(9.43)	-	-	-	(9.43)
Tax on Dividend	-	-	-	-	(1.92)	-	(1.92)	-	-	-	(1.92)
Transfer from retained earnings	-	-	8.23	-	(8.23)	-	-	-	-	-	-
Balance as at 31 March, 2018	**127.70**	**62.47**	**12.73**	**(0.20)**	**12.45**	**5.00**	**220.15**	**(2.61)**	**0.59**	**(2.02)**	**218.13**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ANANTHI AMARNATH
Partner

Chennai
30 April, 2018

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
A.	**Cash flow from operating activities**		
	Profit for the year	24.22	4.32
	Adjustments for :		
	Income Tax expense recognised in profit and loss	15.88	8.24
	Finance costs recognised in profit and loss	33.35	30.19
	Interest Income recognised in profit and loss	(0.29)	(0.38)
	Remeasurements of the defined benefit plans	(1.82)	1.61
	Net Loss / (Gain)on disposal of Property, Plant and Equipment	(0.28)	0.64
	Unrealised Exchange Loss / (Gain)	(0.34)	1.16
	Provision for Doubtful Trade receivables and advances (Net of Write back)	1.15	0.09
	Government Grant income	(1.66)	(1.20)
	Depreciation and Amortisation of non-current assets	61.43	57.16
	Foreign Currency translation loss	(4.30)	1.72
	Translation loss on Property, Plant and Equipment	(0.21)	0.89
		127.13	**104.44**
	Movements in working capital :		
	(Increase) / decrease in trade and other receivables	(58.10)	(18.60)
	(Increase) / decrease in inventories	(26.17)	(25.41)
	(Increase) / decrease in other non current assets	2.43	(3.50)
	(Increase) / decrease in other non current Financial assets	(8.96)	(4.34)
	(Increase) / decrease in other current financial assets	(2.20)	(0.12)
	(Increase) / decrease in other current assets	(42.05)	(6.33)
	(Increase) / decrease in loans	0.08	0.25
	Increase / (decrease) in trade payables	58.62	50.37
	Increase / (decrease) in long term provisions	0.68	0.63
	Increase / (decrease) in short term provisions	(0.82)	1.12
	Increase / (decrease) in other non current financial liabilities	(0.15)	0.01
	Increase / (decrease) in other current financial liabilities	1.12	(2.54)
	Increase / (decrease) in other non current liabilities	(1.45)	0.36
	Increase / (decrease) in other current liabilities	28.11	(4.41)
	Cash generated from operations	**78.27**	**91.93**
	Income Tax paid	(13.08)	(4.35)
	Net cash (used in) / generated by operating activities	**65.19**	**87.58**
B.	**Cash flow from investing activities**		
	Interest received	0.40	0.37
	Payments for Property, Plant and Equipment	(78.87)	(77.96)
	Proceeds from disposal of Property, Plant and Equipment	0.40	0.03
	Bank Balances not considered as cash and cash equivalents	0.20	0.62
	Net cash (used in) / generated by investing activities	**(77.87)**	**(76.94)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares	1.10	-
	Proceeds from Share premium on equity shares	58.90	-
	Money Received against Share warrant	5.00	-
	Proceeds from long term borrowings	60.54	52.41
	Repayment of long term borrowings	(72.58)	(57.23)
	Proceeds from short term borrowings	6.69	30.81
	Dividend paid	(9.43)	(2.10)
	Tax on dividend	(1.92)	(0.43)
	Interest paid	(34.13)	(30.18)
	Net cash (used in) / generated by financing activities	**14.17**	**(6.72)**
	Net increase in cash and cash equivalents	**1.49**	**3.92**
	Cash and cash equivalents at the beginning of the year (Refer Note 11)	5.61	1.69
	Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	0.22	-
	Cash and Cash equivalents at the end of the year (Refer Note 11)	**7.10**	**5.61**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

ANANTHI AMARNATH
Partner

Chennai
30 April, 2018

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

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Vice Chairman
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S PARTHASARATHY
Chief Executive Officer

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Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

1 Summary of significant accounting policies, critical judgements and key estimates

General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the BSE Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

The Company is engaged in manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Company including its subsidiaries is having seven manufacturing facilities, six in India at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana and one in USA at Kentucky.

The Company acquired Precision Die Casting Inc. (PDC) in USA in February 2016 and renamed its as Rane Precision Die Casting Inc. (RPDC) which is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. This investment is held by Rane (Madras) International Holdings, B.V, Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS') formed to hold strategic overseas investments of the Company.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.The financial statements are for the Group consisting of Rane (Madras) Limited and its subsidiaries ("the Group").

1.1 Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements up to year ended 31 March, 2017 were prepared in accordance with the requirements of the previous Indian GAAP which includes accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Group under Ind AS. Refer Note 50 for an explanation of how the transition from previous Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

1.11 Basis of preparation and presentation

The financial statements have been prepared on accrual basis under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period), as explained below.

Basis of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intergroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The principal accounting policies are set out below :

1.12 Property, plant and equipment

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs. Such properties are classified to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on 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.

Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method 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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Useful Life (in years)
Machinery and Equipment	3-10 Years
Equipment under lease	5-6 Years
Moulds	3-4 Years
Vehicles	4-5 Years
Furniture & Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Server and networks	3-5 Years
Capital Tooling	3-5 Years
Maintenance Tools	1 Year
Cost of Dies	Per production units method

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

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

1.13 Intangible assets

Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities taken over at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

Other Intangible assets

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

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

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
License Fees	Over the period of License

1.14 Impairment of tangible and intangible assets including goodwill

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

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

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

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

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

1.15 Borrowings and Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use , are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

1.16 Leasing

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

As a Lessee

Finance Lease :

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating Lease :

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

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

1.17 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

1.19 Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on realisation / repayment of the monetary items.

(iii) Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows :

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case incomes and expenses are translated at the dates of the transactions), and
- all resulting foreign exchange differences are recognised in other comprehensive income.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

The results and financial position of foreign operation which have a functional currency similar to the Group are translated using the same principle enumerated in Note (1.19)(ii) above.

1.20 Revenue Recognition

Revenue from sales is recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract. Revenue is measured at the fair value of consideration received or receivable, net of trade discounts, rebates, goods and service tax (GST).

1.21 Other income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

1.22 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, Government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.23 Employee benefits

(i) Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

(ii) Defined Contribution Plans

Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund

This is a defined contribution Plan. The Group contributes sum equivalent to certain specified percentages of the eligible annual salaries based on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC).The Group has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

In respect of Rane Precision Die Casting Inc. (RPDC)

401k plan

RPDC has a 401k plan set up for its employees. The contributions payable to these plans are at rates specified in the rules of the schemes.

(iii) Defined Benefit Plan

Gratuity

The Group provides for gratuity, a defined benefit plan (the “Gratuity Plan”) administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Group’s liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

In respect of RPDC

Pension plan

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

- $23:00 multiplied by years of benefit service from December 2003 to 10 October, 2005; plus
- $24:00 multiplied by years of benefit service from October 2005 to 09 October, 2006; plus
- $25:00 multiplied by years of benefit service from 09 October, 2006, to 08 October, 2007; plus
- $26:00 multiplied by years of benefit service from 05 October, 2007 to 16 December, 2010; plus
- $16:00 multiplied by benefit service after 16 December, 2010.

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 credit method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. RPDC recognizes the net obligation of the Plan in the Balance Sheet as an asset or liability, respectively, in accordance with Ind AS 19, “Employee benefits”. RPDC’s overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investment 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 other comprehensive income in the period in which they arise.

(iv) Other Long term employee benefits

Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

1.24 Research and Development expenses

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of Property, Plant and Equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for Property, Plant and Equipment and intangible assets.

1.25 Provisions and Contingent Liabilities

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

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

Contingent liability is disclosed for (i) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or (ii) Present obligations arising from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provisions for Warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Group provides post-contract services / warranty support to some of its customers. The Group accounts for the postcontract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

1.26 Taxation

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

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Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period. As per transition provisions MAT shall be treated as part of deferred tax assets.

1.27 Financial instruments

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

Initial Recognition

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

Subsequent Measurement

1.27.1 Financial assets

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

(i) Classification of financial assets

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

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

b) those measured at amortised cost

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

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(a) Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

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

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

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

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

(ii) Impairment of financial assets

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

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

(iii) Derecognition of financial assets

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

1.27.2 Financial liabilities and equity instruments

(i) Classification as equity or financial liability

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

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

(a) Equity instruments

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

(b) Financial liabilities at amortised cost

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

(c) Financial liabilities at FVTPL

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

(ii) Derecognition of financial liabilities

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

1.27.3 Financial and Corporate guarantee contracts

A Financial and Corporate guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial and Corporate guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; or

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- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

1.28 Derivative financial instruments

The Group is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Group has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominate in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency incase of future cash flows or highly probable forecast transactions.The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

1.29 Hedge Accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges.At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the ‘Other income’. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

1.30 Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability as if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2-Inventories or value in use in Ind AS 36-Impairment of Assets.

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

Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 - inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 - inputs are unobservable inputs for the asset or liability.

1.31 Earnings Per Share

Basic earnings per share is computed by dividing the net profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

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Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders 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.

1.32 Dividend

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

1.33 Segment reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) reviews the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance and the entire operations are classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

1.34 Use of estimates and critical accounting judgements

The preparation of financial statements in conformity with Ind AS requires the management to make certain judgements estimates, and assumptions that may effect the application of accounting policies, reported amounts and related disclosures.

These judgements and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

All assumptions, expectations and forecasts that are used as a basis for judgements and estimates in the financial statements represent as accurately an outlook as possible for the Group. These judgements and estimates only represent management's interpretation as of the dates on which they were prepared.

Actual results may differ from these judgments and estimates.

Important judgements and estimates relate largely to provisions, employee benefit plans, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods.

1.35 Standards issued but not yet effective

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

(ii) Ind AS 115- Revenue from Contract with Customers: On 28 March, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The effect on adoption of Ind AS 115 is expected to be insignificant.

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

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Carrying amounts of:			
Freehold land	26.07	26.00	26.00
Buildings	73.88	69.11	66.66
Plant and equipment	271.53	255.77	258.90
Furniture and Fixtures	1.62	2.05	2.26
Office Equipments	5.42	4.18	4.00
Vehicles	0.35	0.22	0.29
Sub Total	**378.87**	**357.33**	**358.11**
Capital Work-in-progress	16.23	27.55	7.39
Total	**395.10**	**384.88**	**365.50**

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at 01 April, 2016	**26.00**	**66.66**	**258.90**	**2.26**	**4.00**	**0.29**	**358.11**
Additions	-	5.48	49.14	0.45	2.31	0.06	57.44
Disposals	-	-	(0.66)	(0.01)	-	-	(0.67)
Effect of foreign currency exchange differences	-	-	(1.43)	-	(0.01)	-	(1.44)
Borrowing Cost Capitalised	-	-	0.09	-	-	-	0.09
Balance as at 31 March, 2017	**26.00**	**72.14**	**306.04**	**2.70**	**6.30**	**0.35**	**413.53**
Additions	0.07	7.78	70.20	0.24	3.47	0.27	82.03
Disposals	-	-	(0.09)	(0.01)	-	(0.02)	(0.12)
Effect of foreign currency exchange differences	-	-	0.43	-	0.02	-	0.45
Balance as at 31 March, 2018	**26.07**	**79.92**	**376.58**	**2.93**	**9.79**	**0.60**	**495.89**

Accumulated depreciation

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at 01 April, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation expense	-	3.03	50.81	0.65	2.13	0.13	56.75
Effect of foreign currency exchange differences	-	-	(0.54)	-	(0.01)	-	(0.55)
Balance as at 31 March, 2017	**-**	**3.03**	**50.27**	**0.65**	**2.12**	**0.13**	**56.20**
Depreciation expense	-	3.01	54.54	0.66	2.25	0.12	60.58
Effect of foreign currency exchange differences	-	-	0.24	-	-	-	0.24
Balance as at 31 March, 2018	**-**	**6.04**	**105.05**	**1.31**	**4.37**	**0.25**	**117.02**
Carrying amount as at 01 April, 2016	**26.00**	**66.66**	**258.90**	**2.26**	**4.00**	**0.29**	**358.11**
Carrying amount as at 31 March, 2017	**26.00**	**69.11**	**255.77**	**2.05**	**4.18**	**0.22**	**357.33**
Carrying amount as at 31 March, 2018	**26.07**	**73.88**	**271.53**	**1.62**	**5.42**	**0.35**	**378.87**

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3 Goodwill

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Cost/deemed cost	6.03	6.03	6.03
Accumulated impairment losses	-	-	-
Total	**6.03**	**6.03**	**6.03**

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units.

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Based on the assessment, management has concluded that there is no indicator of impairment for Goodwill.

4 Other Intangible Assets

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Carrying amounts of:			
Software Licence	1.60	1.64	0.55
	1.60	**1.64**	**0.55**

Software Licence

Particulars	As at
Cost or Deemed Cost	
Balance as at beginning of the year 2016	**0.55**
Additions	1.50
Disposals	-
Balance as at end of the year 2017	**2.05**
Additions	0.82
Disposals	-
Balance as at end of the year 2018	**2.87**
Accumulated amortisation	
Balance at beginning of the year 2016	**-**
Amortisation expense	0.41
Balance as at end of the year 2017	**0.41**
Amortisation expense	0.86
Balance as at end of the year 2018	**1.27**
Carrying amount as at 01 April, 2016	**0.55**
Carrying amount as at 31 March, 2017	**1.64**
Carrying amount as at 31 March, 2018	**1.60**

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5 Other Financial Assets

Particulars	Non-Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Security deposits	4.58	4.28	3.34	-	-	-
Insurance claims	10.08	-	-	4.34	2.20	2.42
Claims receivable	-	-	-	0.74	0.68	0.34
Margin money deposits	1.98	3.40	-	0.15	0.15	0.15
Interest receivable	-	-	-	0.28	0.39	0.38
Fair value derivative hedging receivable	-	-	-	0.79	-	-
Total	**16.64**	**7.68**	**3.34**	**6.30**	**3.42**	**3.29**

Notes: Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees and DSRA account earmarked for EXIM Loan provided to Step Down Subsidiary (Rane Precision Die Casting Inc.).

6 Deferred tax balances

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

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Deferred tax liabilities	(9.34)	(11.61)	(7.85)
MAT Credit	7.18	12.52	10.98
Total	**(2.16)**	**0.91**	**3.13**

Movements in Deferred Tax Liabilities

Particulars	Depreciation	Provision for expense	Termination benefit under VRS	Cash flow hedge reserve	Others	Total
As at 01 April, 2016	**(19.41)**	**4.94**	**3.00**	**0.29**	**3.31**	**(7.85)**
Charged/(Credited)						
- to profit & loss	(11.41)	0.97	(1.12)	-	7.67	(3.89)
- to other comprehensive income	-	-	-	(0.20)	0.33	0.13
As at 31 March, 2017	**(30.82)**	**5.91**	**1.88**	**0.09**	**11.31**	**(11.61)**
Charged/(Credited)						
- to profit & loss	9.60	0.37	(1.10)	-	(6.58)	2.27
- to other comprehensive income	-	-	-	(0.27)	0.27	-
As at 31 March, 2018	**(21.22)**	**6.28**	**0.78**	**(0.18)**	**5.00**	**(9.34)**

7 Non Current Tax Assets and Liabilities

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Opening Balance	6.97	8.43	7.12
Less:Current tax payable for the year	(18.15)	(5.81)	(4.24)
Add:Taxes paid	18.51	4.35	5.55
Closing Balance	**7.33**	**6.97**	**8.43**

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8 Other Assets

Particulars	Non- Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Other Non Financial Assets						
Unsecured and considered good unless otherwise stated :						
Capital Advances	7.54	7.16	1.92	-	-	-
Advances paid to suppliers	-	-	-	10.73	4.03	3.41
Export Entitlements	-	-	-	8.20	7.14	5.22
Balance with statutory authorities	-	-	-	53.01	19.25	16.67
Deposit with government authorities	7.32	5.87	4.83	-	-	-
Advance fringe benefits tax	-	-	-	0.03	0.03	0.03
Prepayment against leasehold land	1.95	2.04	2.36	-	-	-
Tooling advance	2.23	6.02	3.24	-	-	-
Prepaid expenses	-	-	-	3.26	2.73	1.52
Total	**19.04**	**21.09**	**12.35**	**75.23**	**33.18**	**26.85**

9 Inventories

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(At lower of cost or net realisable value)			
Raw materials*	30.20	20.48	18.21
Work-in-progress*	21.31	14.62	13.21
Finished goods*	73.40	65.53	55.66
Stores and spares	21.28	21.73	10.17
Goods in transit (Finished Goods)*	6.35	4.01	3.71
Total	**152.54**	**126.37**	**100.96**

* Refer note 39 for details of closing inventories of raw materials, work-in-progress and finished goods

The cost of inventories recognised as an expense during the year is as per Note No. 23

The cost of inventories recognised as an expense includes ₹Nil (during 2016-17: ₹0.56 crores) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹0.31crores (during 2016-17: Nil) in respect of the reversal of such write-downs.

The mode of valuation of inventories has been stated in note 1.17

10 Trade Receivables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade Receivables (Unsecured)			
Considered good	245.53	188.09	170.91
Considered doubtful	3.63	3.74	3.55
Sub total	**249.16**	**191.83**	**174.46**
Allowance for doubtful debts (expected credit loss allowance)	(3.63)	(3.74)	(3.55)
Total	**245.53**	**188.09**	**170.91**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age Groups below 120 days past due comes to 0% - 10%. The Group as a policy provides for 100% for outstanding above 120 days past due.

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Movements in allowance for credit losses of receivables as per ECL is as below

Particulars	As at 31 March, 2018	As at 31 March, 2017
Balance at the beginning of the year	3.74	3.55
Charge in statement of profit and loss	1.15	0.09
Bad debts (written off) / written back	(1.26)	0.10
Balance at the end of the year	**3.63**	**3.74**

11 Cash and cash equivalents

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Balances with banks (including deposits with original maturity upto 3 months)			
(i) In Current account	4.17	5.42	1.54
(ii) In EEFC account	2.52	0.02	0.03
(b) Cash on hand	0.19	0.17	0.12
Total	**6.88**	**5.61**	**1.69**

Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Cash and cash equivalents as above	6.88	5.61	1.69
Add: Exchange loss on EEFC account	0.22	-	-
Total	**7.10**	**5.61**	**1.69**

12 Other bank balances

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Balances with banks (with original maturity period of more than 3 months but less than 12 months)			
(i) In deposit accounts	-	0.19	0.83
(b) Balances with banks in earmarked accounts			
(i) In Unpaid Dividend account	0.16	0.17	0.14
(ii) In Unpaid Interest Warrant account	-	-	0.01
Total	**0.16**	**0.36**	**0.98**

13 Loans

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
A. Loans to employees			
- Unsecured, considered good	0.21	0.29	0.54
Total	**0.21**	**0.29**	**0.54**

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14 Equity Share Capital

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
AUTHORISED :			
Equity Shares:			
2,50,00,000 Equity Shares of ₹10 each	25.00	25.00	25.00
ISSUED, SUBSCRIBED AND FULLY PAID UP			
1,16,07,541 Equity Shares of ₹10 each fully paid-up	11.61	10.51	10.51
1,16,07,541 fully paid Equity shares of ₹10 each (as at 31 March, 2017 : 1,05,10,649; as at 01 April, 2016: 1,05,10,649)	**11.61**	**10.51**	**10.51**

14.1 Movement in Equity Share Capital

Particulars	2017-18		2016-17	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares of ₹10 each fully paid up				
At the beginning of the year	1,05,10,649	10,51,06,490	1,05,10,649	10,51,06,490
Allotment of shares under preferential issue	10,96,892	1,09,68,920		
At the end of the year	**1,16,07,541**	**11,60,75,410**	**1,05,10,649**	**10,51,06,490**

Rights, preferences and restrictions attached to Shares mentioned above :

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

14.2 Shares of the Company held by holding company

Name of the shareholder	No. of Shares held as at					
	31 March, 2018		31 March, 2017		01 April, 2016	
	Nos.	%	Nos.	%	Nos.	%
Rane Holdings Ltd	70,15,048	60.44%	59,18,156	56.31%	59,18,156	56.31%

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

Name of the shareholder	No. of Shares held as at					
	31 March, 2018		31 March, 2017		01 April, 2016	
	Nos.	%	Nos.	%	Nos.	%
Rane Holdings Ltd	70,15,048	60.44%	59,18,156	56.31%	59,18,156	56.31%

14.4 Details of shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date

During the year ended 31 March, 2014, 3,46,504 equity shares of ₹10 each fully paid up were alloted to shareholders of Rane Holdings Limited (Holding Company) in the proportion of one equity share of ₹10 each in the Company for every 30 equity shares of ₹10 each held in the transferor company (Rane Diecast Limited) pursuant to the Scheme of Arrangement between Rane Diecast Limited and the Company.

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15 Other Equity

Particulars		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a)	General Reserve	127.70	127.70	127.70
(b)	Securities Premium reserve	62.47	3.57	3.57
(c)	Amalgamation adjustment account	(0.20)	(0.20)	(0.20)
(d)	Capital redemption reserve	12.73	4.50	4.50
(e)	Money Received against Share warrant	5.00	-	-
(f)	Retained Earnings	12.45	9.36	5.62
(g)	Foreign Currency translation reserve	(2.61)	1.69	(0.03)
(h)	Cash flow hedging reserve	0.59	0.07	(0.28)
		218.13	**146.69**	**140.88**

Particulars		As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a)	**General Reserve**			
	Opening balance	127.70	127.70	119.98
	Add : Addition during the year	-	-	7.72
	Closing balance	**127.70**	**127.70**	**127.70**
	The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.			
(b)	**Securities Premium Account**			
	Opening balance	3.57	3.57	3.57
	Add : Addition during the year	58.90	-	-
	Closing balance	**62.47**	**3.57**	**3.57**
	Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act"). Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.			
(c)	**Amalgamation Adjustment account**			
	Opening balance	(0.20)	(0.20)	(0.20)
	Add : Addition during the year	-	-	-
	Closing balance	**(0.20)**	**(0.20)**	**(0.20)**
	At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes the amalgamation adjustment reserve of transferee Company.			
(d)	**Capital Redemption Reserve**			
	Opening balance	4.50	4.50	4.50
	Add : Addition during the year	8.23	-	-
	Closing balance	**12.73**	**4.50**	**4.50**
	Additions during the year represents amounts transferred from retained earnings consequent to repayment of outstanding preference shares to Rane Holdings Limited The Companies Act requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in current and earlier years.			

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	Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(e)	**Money Received against Share warrant**			
	Opening balance	-	-	-
	Add : Addition during the year	5.00	-	-
	Closing balance	**5.00**	**-**	**-**
	Ind AS 33 Earnings per Share defines 'warrants' as "financial instruments which give the holder the right to acquire equity shares". Thus, effectively, warrants are the amount which would ultimately form part of the Shareholders' funds. Since shares are yet to be allotted against the same, these are not reflected as part of Share Capital but as a separate line item – 'Money received against share warrants.'			
(f)	**Retained Earnings**			
	Balance at the beginning of the year	9.36	5.62	7.03
	Profit attributable to equity shareholders of the company	24.22	4.32	12.44
	Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(1.55)	1.94	(0.43)
	Transfer to Capital Redemption reserve	(8.23)	-	-
	Transfer to General Reserve	-	-	(7.72)
	Payment of dividend on equity shares	(11.35)	(2.52)	(5.70)
	Balance at the end of the year	**12.45**	**9.36**	**5.62**
	The amount that can be distributed by the Company as dividend to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. In respect of the year ended 31 March, 2018, the Board had declared and paid an interim dividend on equity shares at ₹4.50 per equity share amounting to ₹6.29 crores inclusive of Dividend Distribution Tax of ₹1.06 crores (For year ended 31 March, 2017 ₹2.00 per equity share amounting to ₹2.53 crores inclusive of Dividend Distribution Tax of ₹0.43 crores). The directors propose that a final dividend of ₹7.50 per share (For year ended 31 March, 2017 ₹4.00 per share) be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹ 8.71 crores along with Dividend Distribution tax of ₹1.79 crores (For the year ended 31 March, 2017 ₹4.20 crores along with Dividend Distribution tax of ₹0.86 crores).			
(g)	**Foreign Currency Translation reserve**			
	Balance at the beginning	1.69	(0.03)	-
	Add : Addition during the period	(4.30)	1.72	(0.03)
	Balance at the end of the year	**(2.61)**	**1.69**	**(0.03)**
	Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.			
(h)	**Hedging Reserve**			
	Balance at the beginning	(0.02)	(0.57)	0.26
	Gain / (loss) recognised on cash flow hedges	0.79	0.55	(0.83)
	Sub Total	**0.77**	**(0.02)**	**(0.57)**
	Balance at the beginning	0.09	0.29	-
	Income tax relating to gain/loss recognised on cash flow hedges	(0.27)	(0.20)	0.29
	Sub Total	**(0.18)**	**0.09**	**0.29**
	Balance at the end of the year	**0.59**	**0.07**	**(0.28)**
	The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Company has designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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16 Non-current borrowings

Particulars	Non- Current			Current Maturities		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured - at amortised cost						
i) Term Loans						
- from Related Parties	-	-	0.10	-	0.10	0.37
ii) Preference Share Capital	-	8.23	8.23	-	-	-
iii Fixed Deposits-From Related Parties	-	-	-	-	-	0.22
iv) Fixed Deposits-Others	-	-	0.01	-	-	1.00
Sub Total	**-**	**8.23**	**8.34**	**-**	**0.10**	**1.59**
Secured - at amortised cost						
i) Term Loans						
- from banks	149.44	149.36	123.40	20.52	23.79	48.71
- from Related Parties	-	-	0.56	-	0.56	2.25
ii) External Commercial Borrowings from banks	-	-	-	-	-	2.10
Sub Total	**149.44**	**149.36**	**123.96**	**20.52**	**24.35**	**53.06**
Less: Unamortised Borrowing Costs	0.13	0.17	0.26	-	-	-
Total	**149.31**	**157.42**	**132.04**	**20.52**	**24.45**	**54.65**

Summary of borrowing arrangements

Secured loans include loan from banks, related parties and ECB. The Secured Loans outstanding as at 31 March, 2018 are secured by a charge created on the Company's fixed assets both present and future (excluding Velachery property).

EXIM Bank loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

The terms of repayment of term loans are given below

As at 31 March, 2018

Secured

Particulars	Terms of repayment
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
SCB - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from December 2019 with 30 months of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from September 2019 with 23 months of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from August 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 Years of Moratorium period

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As at 31 March, 2017

Secured

Particulars	Terms of repayment
Rane TRW Steering Systems Private Limited -INR Long Term Loan	Repayable in 16 equal instalments commencing from September 2013
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from March 2019 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from October 2018 with 2 Years of Moratorium period
Kotak Mahindra Bank Ltd - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from Novemeber 2015 with 1 Year of Moratorium period
Canara Bank Ltd - INR Long Term Loan	Repayable in 20 equal quarterly instalments commencing from May 2016 with 1.5 Years of Moratorium period
ING Vysya Bank - INR Long Term Loan	Repayable in 13 equal quarterly instalments commencing from September 2014 with 6 months of Moratorium period
Yes Bank Ltd - INR Long Term Loan	Repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from April 2019 with 3 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from August 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 equal quarterly instalments commencing from February 2019 with 2 Years of Moratorium period

Unsecured

Particulars	Terms of repayment
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	Repayable in 16 equal instalments commencing from September 2013
Rane Holdings Limited-Preference Shares	Cumulative Redeemable before 20 years at the option of the Shareholders

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As at 01 April, 2016

Secured

Particulars	Terms of repayment
SCB - ECB loan	Repayable in 16 equal quarterly installments commencing from December 2012
Rane TRW Steering Systems Private Limited -INR Long Term Loan	Repayable in 16 equal instalments commencing from September 2013
HDFC Bank - INR Long Term Loan	Repayable in 8 equal quarterly instalments commencing from December 2014 with 1 Year of Moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from January 2018 with 2 Years of Moratorium period
Kotak Mahindra Bank Ltd - INR Long Term Loan	Repayable in 16 equal quarterly instalments commencing from November 2015 with 1 Year of Moratorium period
Canara Bank Ltd - INR Long Term Loan	Repayable in 20 equal quarterly instalments commencing from May 2016 with 1.5 Years of Moratorium period
ING Vysya Bank - INR Long Term Loan	Repayable in 13 equal quarterly instalments commencing from September 2014 with 6 months of Moratorium period
Yes Bank Ltd - INR Long Term Loan	Repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January 2016
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly instalments commencing from June 2019 with 3 Years of Moratorium period
The Private Bank and Trust Company	Represents the loan of Rane Precision Diecasting Inc. acquired on 17 February, 2016

Unsecured

Particulars	Terms of repayment
Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	Repayable in 16 equal instalments commencing from September 2013
Fixed Deposits	Fixed Deposits are accepted for 2 or 3 years on cumulative/ non cumulative basis
Rane Holdings Limited-Preference Shares	Cumulative Redeemable before 20 years at the option of the Shareholders

Breach of Loan agreement

There is no breach of loan agreements with banks.

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16 Current Borrowings

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Unsecured - at amortised cost			
(a) Commercial paper	40.00	40.00	40.00
(b) Other loans from banks	2.00	15.43	6.00
(c) Bill Discounting*	6.53	3.52	5.94
(d) Sales tax deferral	0.08	0.08	0.08
Secured - at amortised cost**			
(a) Loan repayable on demand			
- from banks	0.02	0.85	34.22
(b) Other loans from banks	139.00	121.10	63.82
	187.63	**180.98**	**150.06**
Less: Unamortised Borrowing Costs	0.68	0.68	0.69
Total	**186.95**	**180.30**	**149.37**

* Bill discounting represent amount received against finance receivables securitized / assigned, which does not qualify for derecognition.

** Secured loans include cash credit, packing credit and working capital demand loan from banks and are secured on a pari passu basis by a first charge by way of hypothecation of inventories and book debts.

** EXIM Bank loan is secured against all movable Property, Plant and Equipment, current assets of Rane Precision Die Casting Inc. and shares of Rane Precision Die Casting Inc. held by Rane (Madras) International Holdings B.V.

17 Other financial liabilities

Particulars	Non- Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Interest accrued but not due on borrowings	-	-	-	0.92	1.70	1.69
Unpaid dividends	-	-	-	0.16	0.17	0.14
Unpaid matured deposits and interest accrued thereon	-	-	-	-	-	0.02
Current maturities of long-term debt	-	-	-	20.52	24.45	54.65
Security Deposits - Others	-	-	-	0.36	0.34	0.30
Termination benefit under Voluntary Retirement Scheme	-	0.15	0.14	0.01	-	0.15
Employee benefit payable	-	-	-	9.99	8.87	11.29
Derivative Liability	-	-	-	-	0.01	0.57
Commission payable to Chairman	-	-	-	1.24	0.51	0.45
Payables on purchase of fixed assets	-	-	-	1.66	8.62	2.15
Accrued dividend on preference Shares	-	-	-	-	0.55	0.55
Tax on preference dividend	-	-	-	-	0.11	0.11
Total	**-**	**0.15**	**0.14**	**34.86**	**45.33**	**72.07**

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18 Provisions

Particulars	Non- Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Provision for leave encashment (Refer note 33)	5.46	4.78	4.15	1.11	1.03	0.82
Provision for Warranty	-	-	-	4.81	5.71	4.80
Total	**5.46**	**4.78**	**4.15**	**5.92**	**6.74**	**5.62**

(i) Information about individual provisions and significant estimates

Provision for leave encashment

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

Provision for Warranty

Refer Note 1.25

(ii) Movements in provisions

Movements in each class of provision during the financial year, are set out below:

Particulars	Provision for leave encashment	Provision for Warranty
As at 01 April, 2017	**5.81**	**5.71**
Charged / (credited) to profit or loss	3.09	0.77
Amounts utilised during the year	(2.33)	(1.67)
As at 31 March, 2018	**6.57**	**4.81**

19 Other liabilities

Particulars	Non- Current			Current		
	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Revenue received in advance						
- Deferred revenue arising from government grant (note (i) below)	3.44	5.12	4.10	1.94	1.95	1.53
Statutory remittances (Contributions to GST,PF and ESIC, Withholding Taxes,etc.)	-	-	-	33.90	6.78	8.18
Advances and Deposits from Customers/Others	-	-	-	0.84	0.65	1.10
Long Term Capital lease obligation	1.27	2.70	4.56	1.44	1.76	2.87
Provision for Gratuity (Refer note 33)	-	-	-	6.54	5.56	4.50
Provision for Pension plan (Refer note 33)	-	-	-	13.46	13.31	16.24
Total	**4.71**	**7.82**	**8.66**	**58.12**	**30.01**	**34.42**

Note :

(i) The deferred revenue comprise the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in Property, Plant and Equipment.

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20 Trade Payables

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Trade payables-Other than Micro enterprises and Small enterprises	193.45	160.72	115.02
Trade payables-Micro enterprises and Small enterprises	16.35	13.21	11.42
Trade payables-Acceptances	45.56	22.84	20.25
Total	**255.36**	**196.77**	**146.69**

The dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 is on the basis of such parties having been identified by the management based on the declaration given by such parties and relied upon by the auditors.

20.1 Micro and Small Enterprises

	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:			
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:			
- Principal	16.35	13.19	11.28
- Interest	-	0.02	0.14
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:			
- Principal	17.66	-	-
- Interest	0.22	0.14	0.10
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:			
- Principal	0.14	13.51	15.04
- Interest	-	0.09	0.14
The amount of interest accrued and remaining unpaid at the end of the year ((Previous year ₹Nil crores) being interest outstanding as at the beginning of the accounting year)	-	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	0.11	0.15

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(All amounts are in crores in INR unless otherwise stated)

21 Revenue from operations

Particulars			Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Sales of Products (including excise duty of ₹24.57 crores for the year ended 31 March, 2018; for the year ended 31 March, 2017: ₹ 93.44 crores)*		1,373.98	1,250.21
(b)	Other operating revenues			
	-	Scrap sales	17.99	14.62
	-	Sale of raw materials	6.39	2.97
	-	Sale of Tools	14.18	11.88
	-	Export Entitlements	10.64	10.56
Total			**1,423.18**	**1,290.24**

***Note :-**

(i) Refer note 40 for details of sale of products

(ii) Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended 31 March, 2018 is presented net of GST in compliance with Indian Accounting Standard (Ind AS) 18 - “Revenue”. The revenue from operations for the year ended 31 March, 2017 are inclusive of excise duty, and hence are not comparable with the revenue from operations for the year ended 31 March, 2018 to that extent.

22 Other Income

Particulars			Year ended 31 March, 2018	Year ended 31 March, 2017
(a)	Interest income earned on financial assets that are not designated at fair value through profit or loss			
	-	On Deposits	0.17	0.27
	-	On Supplier payments	0.12	0.11
(b)	Net gain on foreign currency transactions		5.69	-
(c)	Net Gain on disposal of Property, Plant and Equipment		0.28	-
(d)	Other non-operating income			
	-	Government Grant Income	1.66	1.20
	-	Other non-operating Income	0.95	9.90
Total			**8.87**	**11.48**

23 Cost of Materials consumed

Particulars		Year ended 31 March, 2018	Year ended 31 March, 2017
Opening stock		20.48	18.21
Add: Purchases		768.23	623.45
Less: Closing stock		30.20	20.48
Raw materials and Components consumed *@		758.51	621.18
Freight inward		15.77	11.58
Job work expenses		44.47	31.25
Total		**818.75**	**664.01**
*	includes cost of raw materials and components sold	6.53	2.70
@	Refer Note 41 for details for raw materials and components consumed		

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24 Changes in Inventories of finished goods and work-in-progress

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening Stock:		
Work-in-progress	14.62	13.21
Finished goods	69.54	59.37
Closing Stock:		
Work-in-progress	21.31	14.62
Finished goods	79.75	69.54
(Increase)/Decrease in Stocks	**(16.90)**	**(11.58)**

25 Employee Benefit Expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Salaries, Wages and Bonus	178.72	166.08
(b) Contribution to Provident, Pension and Other Funds	26.49	23.68
(c) Staff Welfare Expenses	13.23	13.12
Total	**218.44**	**202.88**

26 Finance Cost

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
a) Interest costs:		
Interest on bank overdrafts and loans (other than those from related parties)	27.63	25.25
Interest on Fixed Deposits	-	0.04
Interest on loans from related parties	0.01	0.20
Discount on Commercial paper	2.83	3.06
Other Borrowing costs	2.57	0.85
Other interest expense	-	0.13
Total interest expense for financial liabilities not classified as at FVTPL	**33.04**	**29.53**
b) Dividend on redeemable preference shares	0.31	0.66
Total	**33.35**	**30.19**

27 Depreciation and amortisation expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Depreciation on Property, plant and equipment	60.57	56.75
Amortisation of Intangible assets (note 4)	0.86	0.41
Total	**61.43**	**57.16**

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28 Other Expenses

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Power and Fuel *	38.53	37.60
Rent expense	2.78	2.98
Travelling and Conveyance	9.63	9.87
Repairs and Maintenance		
- Buildings	3.44	3.57
- Plant and Machinery	15.01	16.11
- Others	11.54	9.41
Insurance	5.47	4.89
Rates and Taxes, excluding taxes on income	2.66	2.21
Auditors' Remuneration (Refer Note 28.1)	0.55	0.58
Directors' Sitting Fees	0.21	0.13
Professional Charges	13.10	14.44
Provision for Doubtful Debts and Advances	1.15	0.09
Consumption of stores and spares (Refer Note 42)	65.02	58.10
Packing materials consumed	29.80	21.88
Royalty and Technical Fees	0.80	0.64
Information Systems	4.03	3.90
Commission to Chairman	1.24	0.51
Freight Outward and Storage charges	27.41	34.93
Advertisement and Sales Promotion	6.61	6.10
Sales Commission	0.33	0.38
Product Warranty	1.05	1.16
Trade Mark	5.84	4.96
Donation (Refer Note 28.2)	0.87	0.40
Leasehold Land Amortisation	0.29	0.29
(Gain)/ loss on disposal of Property, Plant and Equipment	-	0.64
Net loss/(gain) on foreign currency transactions	-	5.05
Increase / (decrease) of excise duty on inventory	(5.54)	0.05
Miscellaneous Expenses (Refer Note 28.2)	9.64	10.43
Total	**251.46**	**251.30**

* Includes ₹ 1.31 crores (For 2016-17 ₹0.94 crores) paid towards certain operating lease arrangements with third party vendors.

Included in other expenses are the below:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
28.1 Payment to auditors		
a) For audit	0.41	0.41
b) For taxation matters	0.05	0.03
c) For Company Law matters	0.06	0.06
d) For other services	0.03	0.07
e) For reimbursement of expenses	-	0.01
	0.55	**0.58**
28.2. Expenditure incurred for Corporate social responsibility		
Total expenditure towards corporate social responsibility (included under Donation and Miscellaneous expenses)	**0.98**	**0.49**
(i) Construction / acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.98	0.49
Amount required to be spent u/s 135 of the Companies Act, 2013	**0.45**	**0.49**
Excess / (Shortfall)	**0.53**	**-**

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29 Tax Expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Income taxes		
Income tax recognised in profit or loss		
Current tax		
In respect of current year	18.15	4.35
	18.15	**4.35**
Deferred tax		
In respect of current year	(2.27)	3.89
Deferred tax recognised in profit or loss		
- In India	(2.27)	3.89
Total income tax expense recognised in the current year	**15.88**	**8.24**
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	**40.10**	**12.56**
Income Tax expense calculated at 34.608% (2016-17: 34.608%)	13.88	4.35
Effect of concessions (research and development related to Capital and Revenue)	(2.59)	(4.13)
Interest expense related to MSME enterprises	0.04	0.04
Tax impact of unit situated in Notified State as per Section 80IC of Income Tax Act, 1961	-	(0.53)
Income on sale of fixed assets	-	0.09
Difference between book written down value and tax written down value of Depreciable assets that will reverse after the expiry of tax holiday period	-	0.99
Impact due to change in effective tax rate	0.09	-
Donation	0.15	0.07
Profit and Loss of foreign subsidiaries	4.45	7.36
Income exempt under Section 80JJAA of Income Tax Act, 1961	(0.14)	-
Income Tax expense recognised in profit or loss	**15.88**	**8.24**

30 Financial Instruments

30.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group.

The Group's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Group, maintain the Group as a going concern and maintain optimal structure.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The Group monitors the capital structure on the basis of debt to equity, debt to capital employed etc and the maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

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The table below summarises the capital, net debt and net debt to equity ratio of the Group.

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Debt *	356.78	362.17	336.06
Cash and bank balances	(6.88)	(5.61)	(1.69)
Net debt	349.90	356.56	334.37
Total Equity**	229.74	157.20	151.39
Net debt to equity ratio	**1.52**	**2.27**	**2.21**

* Debt is defined as long-term and short-term borrowings (excluding derivatives and financial guarantee contracts).

** Equity includes all capital and reserves of the Group that are managed as capital.

30.2 Fair Value Measurement

Financial Instrument by Category

Particulars	As at 31 March, 2018			As at 31 March, 2017			As at 01 April, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets									
Loans	-	-	0.21	-	-	0.29	-	-	0.54
Trade Receivables	-	-	245.53	-	-	188.09	-	-	170.91
Cash and Cash Equivalents	-	-	6.88	-	-	5.61	-	-	1.69
Security Deposits	-	-	4.58	-	-	4.28	-	-	3.34
Claims receivable	-	-	0.74	-	-	0.68	-	-	0.34
Margin money Deposits	-	-	2.13	-	-	3.55	-	-	0.15
Interest receivable	-	-	0.28	-	-	0.39	-	-	0.38
Insurance claims	-	-	14.42		-	2.20	-	-	2.42
Fair value Derivative Hedging receivable	-	0.79	-	-	-	-	-	-	-
Total Financial Assets	**-**	**0.79**	**274.77**	**-**	**-**	**205.09**	**-**	**-**	**179.77**
Financial Liabilities									
Borrowings	-	-	336.26	-	-	337.72	-	-	281.41
Trade Payables	-	-	255.36	-	-	196.77	-	-	146.69
Interest accrued but not due on borrowings	-	-	0.92	-	-	1.70	-	-	1.69
Unpaid dividends	-	-	0.16	-	-	0.17	-	-	0.14
Unpaid matured deposits and interest accrued thereon	-	-	-	-	-	-	-	-	0.02
Current maturities of long-term debt	-	-	20.52	-	-	24.45	-	-	54.65
Security Deposits - Others	-	-	0.36	-	-	0.34	-	-	0.30
Termination benefit under Voluntary Retirement Scheme	-	-	0.01	-	-	0.15	-	-	0.29
Employee benefit payable	-	-	9.99	-	-	8.87	-	-	11.29
Fair value Derivative Hedging receivable	-	-		-	0.01		-	0.57	-
Commission payable to Chairman	-	-	1.24	-	-	0.51	-	-	0.45
Payables on purchase of fixed assets	-	-	1.66	-	-	8.62	-	-	2.15
Accrued dividend on preference Shares	-	-	-	-	-	0.55	-	-	0.55
Tax on preference dividend	-	-	-	-	-	0.11	-	-	0.11
Total Financial Liabilities	**-**	**-**	**626.48**	**-**	**0.01**	**579.96**	**-**	**0.57**	**499.74**

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The below tables summarise the fair value hierarchy of the financial assets/liabilities

i. The fair value hierarchy of derivative instruments carried at fair value

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Derivative financial assets (a)					
Fair value Derivative Hedging receivable	0.79	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
Total	0.79	-	-		
Derivative financial liabilities (b)					
Fair value Derivative Hedging liability	-	0.01	0.57	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
Total	-	0.01	0.57		
Net derivative financial assets / (liabilities) (a - b)	**0.79**	**(0.01)**	**(0.57)**		

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ii. Fair value of financial assets/liabilities (other than investment in subsidiaries) that are not measured at fair value

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016		Fair Value Hierarchy (Level 1,2,3)*
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	
Financial Assets							
Financial Assets at amortised cost:							
Loans	0.21	0.21	0.29	0.29	0.54	0.54	3
Trade Receivables	245.53	245.53	188.09	188.09	170.91	170.91	3
Cash and Cash Equivalents	6.88	6.88	5.61	5.61	1.69	1.69	3
Security Deposits	4.58	4.58	4.28	4.28	3.34	3.34	3
Claims receivable	0.74	0.74	0.68	0.68	0.34	0.34	3
Margin money Deposits	2.13	2.13	3.55	3.55	0.15	0.15	3
Interest receivable	0.28	0.28	0.39	0.39	0.38	0.38	3
Insurance claims	14.42	14.42	2.20	2.20	2.42	2.42	3
Total Financial Assets	**274.77**	**274.77**	**205.09**	**205.09**	**179.77**	**179.77**	
Financial Liabilities							
Financial Liabilities held at amortised cost:							
Borrowings	336.26	336.26	337.72	337.72	281.41	281.41	3
Trade Payables	255.36	255.36	196.77	196.77	146.69	146.69	3
Interest accrued but not due on borrowings	0.92	0.92	1.70	1.70	1.69	1.69	3
Unpaid dividends	0.16	0.16	0.17	0.17	0.14	0.14	3
Unpaid matured deposits and interest accrued thereon	-	-	-	-	0.02	0.02	3
Current maturities of long-term debt	20.52	20.52	24.45	24.45	54.65	54.65	3
Security Deposits - Others	0.36	0.36	0.34	0.34	0.30	0.30	3
Termination benefit under Voluntary Retirement Scheme	0.01	0.01	0.15	0.15	0.29	0.29	3
Employee benefit payable	9.99	9.99	8.87	8.87	11.29	11.29	3
Commission payable to Chairman	1.24	1.24	0.51	0.51	0.45	0.45	3
Payables on purchase of fixed assets	1.66	1.66	8.62	8.62	2.15	2.15	3
Proposed dividend on preference Shares	-	-	0.55	0.55	0.55	0.55	3
Tax on proposed dividend	-	-	0.11	0.11	0.11	0.11	3
Total Financial Liabilities	**626.48**	**626.48**	**579.96**	**579.96**	**499.74**	**499.74**	

* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This consists of listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities and deposits included in level 3.

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30.3 Financial risk management objectives

The Group's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Group is to hedge risk of change in the foreign currency exchange rates associated with it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Group are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Group and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

(a) Market Risk

The Group operates on a global platform and a portion of the business is transacted in multiple currencies. Consequently, the Group is exposed to foreign exchange risk through its sales in the United States, European Union and other parts of the world, and purchases from overseas suppliers in different foreign currencies. The Group holds derivative financial instruments such as foreign exchange forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

(b) Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

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

Currency	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	In ₹ (crores)	In Foreign Currency (crores)	In ₹ (crores)	In Foreign Currency (crores)	In ₹ (crores)	In Foreign Currency (crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
Financial Assets						
USD						
Trade Receivable	60.68	0.93	39.02	0.59	32.88	0.50
Advances	2.30	0.04	1.06	0.02	0.47	0.01
EUR						
Trade Receivable	5.08	0.06	3.37	0.04	1.91	0.03
Advances	0.52	0.01	0.31	-	0.59	0.01
JPY						
Advances	0.05	0.08	-	-	-	-
GBP						
Advances	0.06	-	0.05	-	0.06	-
Sub Total	**68.69**		**43.81**		**35.91**	
Financial Liabilities						
USD						
Loans	(39.98)	(0.61)	(39.53)	(0.61)	(59.52)	(0.90)
Trade Payable	(16.58)	(0.25)	(9.91)	(0.15)	(5.84)	(0.09)
EUR						
Loans	(3.01)	(0.04)	-	-	(0.66)	(0.01)
Trade Payable	(0.49)	(0.01)	(0.69)	(0.01)	(0.38)	(0.01)
JPY						
Trade Payable	(0.05)	(0.08)	(3.13)	(5.42)	-	-
GBP						
Trade Payable	-	-	-	-	(0.05)	-
Sub Total	**(60.11)**		**(53.26)**		**(66.45)**	
Net	**8.58**		**(9.45)**		**(30.54)**	

Foreign Currency sensitivity analysis

The Group is mainly exposed to US Dollar and EURO currencies. The following table details the Group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a comparable impact on the profit or equity.

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Particulars	Currency USD impact		Currency EUR impact		Currency JPY impact	
	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017	In ₹ (crores) 2017 - 2018	In ₹ (crores) 2016 - 2017
Impact on profit or loss for the year						
- Increase by 5%	0.32	(0.49)	0.10	0.10	-	(0.16)
- Decrease by 5%	(0.32)	0.49	(0.10)	(0.10)	-	0.16
Impact on other components of equity as at the end of the reporting period						
- Increase by 5%	0.32	(0.49)	0.10	0.10	-	(0.16)
- Decrease by 5%	(0.32)	0.49	(0.10)	(0.10)	-	0.16

In management’s opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

Derivative Financial Instruments

The Group operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group’s functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Group holds derivative financial instruments such as foreign currency forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Group to enter into forward foreign exchange and option contracts to cover specific foreign currency payments and receipts within a specific range. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to one year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) and option contracts outstanding at the end of the reporting period:

Particulars	As at 31 March, 2018		As at 31 March, 2017		As at 01 April, 2016	
	In crores Foreign Currency	In ₹ (crores)	In crores Foreign Currency	In ₹ (crores)	In crores Foreign Currency	In ₹ (crores)
Derivatives designated as cash flow hedges						
Forward Contracts						
In USD	0.10	6.48	0.11	7.22	-	-
In JPY	-	-	-	-	14.50	8.10
Option Contracts						
In USD	0.42	28.86	-	-	-	-
Total	**0.52**	**35.34**	**0.11**	**7.22**	**14.50**	**8.10**

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The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity Groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Not later than 1 month	2.35	0.99	-
Later than 1 month but not later than 3 months	8.77	2.95	-
Later than 3 months upto 6 months	12.88	3.28	8.10
Later than 6 months but not later than 1 year	11.34	-	-
Total	**35.34**	**7.22**	**8.10**

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended 31 March, 2018 is as follows :

Particulars	As at 31 March, 2018
Balance at the beginning of the year	0.07
Gain/loss recognised in other comprehensive income during the year	0.79
Tax impact on above	(0.27)
Balance at the end of the year	**0.59**

(c) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, investments carried at cost value and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Expected credit loss for loans and security deposits

The estimated gross carrying amount at default is Nil (31 March, 2017: Nil, 31 March, 2016: Nil) for loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

(ii) Expected credit loss for trade receivables under simplified approach

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In determining the allowances for credit losses of trade receivables, the Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and percentage used in the provision matrix.

(d) Liquidity risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions.

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Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

Liquidity and interest risk tables

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

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

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	208.36	127.90	-	336.26	336.26
Trade Payables	255.36	-	-	255.36	255.36
Interest accrued but not due on borrowings	0.92	-	-	0.92	0.92
Unpaid dividends	0.16	-	-	0.16	0.16
Current maturities of long-term debt	20.52	-	-	20.52	20.52
Security Deposits - Others	0.36	-	-	0.36	0.36
Termination benefit under Voluntary Retirement Scheme	0.01	-	-	0.01	0.01
Employee benefit payable	9.99	-	-	9.99	9.99
Commission payable to Chairman	1.24	-	-	1.24	1.24
Payables on purchase of fixed assets	1.66	-	-	1.66	1.66
	498.58	**127.90**	**-**	**626.48**	**626.48**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March, 2017

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	178.90	150.59	8.23	337.72	337.72
Trade Payables	196.77	-	-	196.77	196.77
Interest accrued but not due on borrowings	1.70	-	-	1.70	1.70
Unpaid dividends	0.17	-	-	0.17	0.17
Current maturities of long-term debt	24.45	-	-	24.45	24.45
Security Deposits - Others	0.34	-	-	0.34	0.34
Termination benefit under Voluntary Retirement Scheme	-	0.15	-	0.15	0.15
Employee benefit payable	8.87	-	-	8.87	8.87
Derivative Liability	0.01	-	-	0.01	0.01
Commission payable to Chairman	0.51	-	-	0.51	0.51
Payables on purchase of fixed assets	8.62	-	-	8.62	8.62
Proposed dividend on preference Shares	0.55	-	-	0.55	0.55
Tax on proposed dividend	0.11	-	-	0.11	0.11
	421.00	**150.74**	**8.23**	**579.97**	**579.97**

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The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 01 April, 2016

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	151.25	121.93	8.23	281.41	281.41
Trade Payables	146.69	-	-	146.69	146.69
Interest accrued but not due on borrowings	1.69	-	-	1.69	1.69
Unpaid dividends	0.14	-	-	0.14	0.14
Unpaid matured deposits and interest accrued thereon	0.02	-	-	0.02	0.02
Current maturities of long-term debt	54.65	-	-	54.65	54.65
Security Deposits - Others	0.30	-	-	0.30	0.30
Termination benefit under Voluntary Retirement Scheme	0.15	0.14	-	0.29	0.29
Employee benefit payable	11.29	-	-	11.29	11.29
Derivative Liability	0.57	-	-	0.57	0.57
Commission payable to Chairman	0.45	-	-	0.45	0.45
Payables on purchase of fixed assets	2.15	-	-	2.15	2.15
Proposed dividend on preference Shares	0.55	-	-	0.55	0.55
Tax on proposed dividend	0.11	-	-	0.11	0.11
	370.01	**122.07**	**8.23**	**500.31**	**500.31**

31 Segment Reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

31.1 Product wise break up - Please refer note no. 40

31.2 Geographical Information

The Group's revenue from continuing operations from external customers by location of operations and information about its non current assets** by location of operations are detailed below:

Particulars	Revenue from external customers			Non - current assets**		
	Year ended 31 March, 2018	Year ended 31 March, 2017	Year ended 31 March, 2016	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
India	972.77	843.98	723.80	372.28	367.90	333.59
Rest of the world	450.41	446.26	236.25	49.49	45.74	50.84
Total	**1,423.18**	**1,290.24**	**960.05**	**421.77**	**413.64**	**384.43**

The geographical segments considered for disclosure are – India and Rest of the World. The manufacturing facilities are located in India and USA.

** Non- current assets are used in the operations of the Group to generate revenues both in India and outside India.

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31.3 Information about major customers

Revenue from sale of auto components to largest customers (greater than 10% of total sales) is ₹ 620.22 crores (31 March, 2017, ₹ 553.44 crores).

32 Related Party Disclosures

		2017-18	2016-17
(a)	List of related parties where control exists Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
	Other Related parties where transactions has taken place		
(b)	Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c)	Relative of KMP	L Lakshman Aditya Ganesh	L Lakshman
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(e)	Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL) Rane Holdings Europe GmbH (RHEG)	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)
(f)	Joint ventures of the Holding company	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS) JMA Rane Marketing Limited (JMA)

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Details of related party transactions and balances :

Description	Holding Company			Key Management Personnel (KMP)			Relatives of KMP			Enterprises as defined in point (d) above			Related parties where transactions has taken place (Fellow Subsidiaries)			Joint ventures of the Holding company			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Transaction during the year																					
Professional Charges-RHL/RHAI	2.93	2.86	-	-	-	-	-	-	-	-	-	-	0.36	0.60	-	-	-	-	3.29	3.46	-
Professional charges - REVL			-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06	-
Software Expenses-RHL/RHAI	4.65	4.52	-	-	-	-	-	-	-	-	-	-	-	0.31	-	-	-	-	4.65	4.83	-
Training Expenses	0.75	0.82	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.75	0.82	-
Miscellaneous Expenses	0.63	0.73	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.63	0.73	-
Trademark Fee	5.75	5.57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.75	5.57	-
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	-	-	1.73	1.74	-	-	-	-	1.73	1.74	-
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	-	-	0.31	-	-	-	-	-	0.31	-	-
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	-	-	10.24	12.98	-	-	-	-	10.24	12.98	-
Job Charges-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	0.06	-
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.11	-	0.10	0.11	-
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.12	7.05	-	9.12	7.05	-
Sales-JMA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.31	11.75	-	10.31	11.75	-
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24.51	24.61	-	24.51	24.61	-
Sales Machinery-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.30	-	-	0.30	-	-
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.19	-	0.01	0.19	-
Donation-Rane Foundation	-	-	-	-	-	-	-	-	-	0.87	0.39	-	-	-	-	-	-	-	0.87	0.39	-
Repayment of Term Loan -RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.66)	-	-	(0.66)	-	-
Repayment of Preference Share Capital	(8.23)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(8.23)	-	-
Preference Dividend Paid	0.26	0.55							-	-	-	-	-	-	-	-	-	-	0.26	0.55	-
Commission to Chairman	-	-	-	1.24	0.51	-	-	-	-	-	-	-	-	-	-	-	-	-	1.24	0.51	-
Salaries - Mr. S Parthasarathy	-	-	-	1.49	1.38	-	-	-	-	-	-	-	-	-	-	-	-	-	1.49	1.38	-
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-	-	-	-	0.20	-	-
Sitting Fees	-	-	-	0.03	0.02	-	0.04	0.03	-	-	-	-	-	-	-	-	-	-	0.07	0.05	-
Balance as at year end 31, March	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.02	7.80	5.77	3.30	7.80	5.83	3.32
Payables	1.83	3.30	2.01	1.24	0.51	0.45	-	-	-	-	-	-	1.19	1.00	0.81	1.49	0.55	1.19	5.75	5.36	4.46
Term loan payable-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.66	3.28	-	0.66	3.28

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Details of Related Party transactions :

Description	Holding Company			Key Management Personnel (KMP)			Relatives of KMP			Enterprises as defined in point (d) above			Related parties where transactions has taken place (Fellow Subsidiaries)			Joint ventures of the Holding company			Total		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Payables																					
RHL	1.83	3.30	2.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.83	3.30	2.01
Mr L Ganesh	-	-	-	1.24	0.51	0.45	-	-	-	-	-	-	-	-	-	-	-	-	1.24	0.51	0.45
REVL	-	-	-	-	-	-	-	-	-	-	-	-	0.35	0.40	0.62	-	-	-	0.35	0.40	0.62
RBL	-	-	-	-	-	-	-	-	-	-	-	-	0.43	-	-	-	-	-	0.43	-	-
RHAI	-	-	-	-	-	-	-	-	-	-	-	-	0.41	0.60	0.19	-	-	-	0.41	0.60	0.19
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10	0.01		0.10	0.01	-
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.40	0.54	1.19	1.40	0.54	1.19
Receivables																					
RHAI	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06	-
JMA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.72	2.96	-	3.72	2.96	-
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.09	2.81	3.30	4.09	2.81	3.30
REVL	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02

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Remuneration to Key Management Personnel

Particulars	Year Ended 31 March, 2018	Year Ended 31 March, 2017
Short term benefits paid	2.63	1.78
Other Long term benefits paid	0.10	0.10
Termination Benefits	-	-
Total	**2.73**	**1.88**

33 Employee benefit plans

A. Defined contribution plans

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

The Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to receive benefits depending on the years of service and salary drawn.

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

The total expense recognised in profit or loss of ₹7.40 crores (for the year ended 31 March, 2017: ₹ 6.28 crores) represents contributions payable to these plans by the Group at rates specified in the rules of the plans. As at 31 March, 2018, contributions of ₹1.11 crores (as at 31 March, 2017: ₹0.93 crores) due in respect to 2017-18 (2016-17) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

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Details of defined benefit obligation and plan assets:

(a) Leave obligations

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

The amount of provision of ₹1.11 crores (31 March, 2017 - ₹ 1.03 crores, 01 April, 2016 - ₹ 0.81 crores) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

Principal Actuarial Assumptions at Balance Sheet date

Particulars	As at 2017-18	As at 2016-17	As at 2015-16
Discount rate	7.69%	7.40%	8.00%
Expected rate of salary increase			
- Executives and Staff	8.00%	8.00%	8.00%
- Operators	6.00%	6.00%	6.00%
Attrition rate			
- Executives and Staff	8.00%	8.00%	8.00%
- Operators	3.00%	3.00%	3.00%

(b) Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Group makes annual contributions to gratuity funds established as trusts; funded to LIC. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(i) Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening defined benefit obligation	14.92	12.50
Current Service Cost	1.23	1.03
Interest cost	1.07	0.98
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.65	0.94
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(0.92)	(0.53)
Closing defined benefit obligation	**16.95**	**14.92**

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(ii) Movements in the fair value of the plan assets

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Opening fair value of plan assets	9.36	8.03
Interest income	0.71	0.75
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.13)	(0.12)
Contributions from the Employer	1.39	1.23
Benefits paid	(0.92)	(0.53)
Closing fair value of plan assets	**10.41**	**9.36**

(iii) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Present value of funded defined benefit obligation	16.95	14.92	12.53
Fair value of plan assets	10.41	9.36	8.03
Funded status	**6.54**	**5.56**	**4.50**
Restrictions on asset recognised	-	-	-
Net liability arising from defined benefit obligation	**6.54**	**5.56**	**4.50**

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(iv) Amounts recognised in statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Service Cost :		
Current Service cost	1.23	1.03
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	0.36	0.31
Components of defined benefit costs recognised in profit or loss	**1.59**	**1.34**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.65	0.94
Actuarial (gains) / losses arising from changes in financial assumptions	0.13	-
Actuarial (gains) / losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	0.78	0.94
Total	**2.37**	**2.28**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The Group has invested the plan assets with the insurer managed funds. The insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Group's policy for plan asset management and other relevant factors.

(vi) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at		
	31 March, 2018	31 March, 2017	01 April, 2016
Discount Rate(s)	7.69%	7.40%	8.00%
Expected Rate(s) of salary increase			
Executives and Staff	8.00%	8.00%	8.00%
Operators	6.00%	6.00%	6.00%
Expected rate of return on plan assets	7.69%	7.40%	8.00%
Attrition Rate			
Executives and Staff	8.00%	8.00%	8.00%
Operators	3.00%	3.00%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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(All amounts are in crores in INR unless otherwise stated)

Sensitivity Analysis

	Change in assumption	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
A.	Discount Rate + 50 BP	8.19%	7.90%	8.50%
	Defined Benefit Obligation [PVO]	16.38	14.41	12.08
	Current Service Cost	1.29	1.18	0.99
B.	Discount Rate - 50 BP	7.2%	6.9%	7.5%
	Defined Benefit Obligation [PVO]	17.57	15.47	12.95
	Current Service Cost	1.41	1.29	1.08
C.	Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% & 6.5%	8.5% & 6.5%
	Defined Benefit Obligation [PVO]	17.59	15.49	12.97
	Current Service Cost	1.41	1.29	1.08
D.	Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% & 5.5%	7.5% & 5.5%
	Defined Benefit Obligation [PVO]	16.35	14.39	12.10
	Current Service Cost	1.29	1.18	0.99

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

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

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 7.7 years (2017-7.9 years, 2016-7.7 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Year 1	1.12	0.99	2.37
Year 2	4.18	3.57	1.23
Year 3	1.06	1.37	1.19
Year 4	1.29	0.90	1.19
Year 5	1.59	1.10	0.78
Next 5 Years	8.29	6.97	5.73

In respect of a subsidiary (RPDC)

A. Defined contribution plans

RPDC has a 401k plan set up for its employees. The contributions payable to these plans by RPDC are at rates specified in the rules of the schemes.

B. Defined benefit plans :

Pension :

A participant is eligible for his normal retirement pension after the participant has attained age of 62 and terminates employment. A participant shall receive a monthly benefit payable at normal retirement age equal to:
- $23:00 multiplied by years of benefit service from December 2003 to 10 October, 2005; plus
- $24:00 multiplied by years of benefit service from October 2005 to 09 October, 2006; plus
- $25:00 multiplied by years of benefit service from 09 October, 2006, to 08 October, 2007; plus
- $26:00 multiplied by years of benefit service from 05 October, 2007 to 16 December, 2010; plus
- $16:00 multiplied by benefit service after 16 December, 2010.

Disability benefit:

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

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Death benefit:

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

The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. RPDC contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor.

RPDC is exposed to various risks in providing the above pension benefit which are as follows:

Interest Rate risk : The plan exposes RPDC to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

Demographic Risk : RPDC has used certain mortality and attrition assumptions in valuation of the liability. RPDC is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	Pension (Funded)	
	2017-18	2016-17
Present Value of obligations at the beginning of the year	**34.34**	**36.23**
Current service cost	0.68	0.88
Interest Cost	1.38	1.41
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	0.11	(1.42)
- Actuarial gains and losses arising from financial assumptions	0.56	(1.13)
Benefits paid	(0.94)	(0.86)
Foreign currency translation adjustment	0.22	(0.79)
Present Value of obligations at the end of the year	**36.35**	**34.33**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	**21.03**	**19.99**
Interest Income	0.85	0.78
Expected Return on plan assets	-	-
Contributions from the employer	2.19	1.53
Benefits Paid	(0.94)	(0.86)
Return on Plan Assets, Excluding Interest Income	(0.38)	0.08
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	0.14	(0.51)
Fair Value of plan assets at the end of the year	**22.89**	**21.02**
Amounts recognized in the Balance Sheet	**(13.46)**	**(13.31)**
Projected benefit obligation at the end of the year	(36.35)	(34.33)
Fair value of plan assets at end of the year	22.89	21.02
Funded status of the plans – Liability recognised in the balance sheet	**(13.46)**	**(13.31)**
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.68	0.88
Net Interest Expense	0.54	0.63
Past service cost	-	-
Net Cost in Profit or Loss	**1.22**	**1.51**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	0.66	(2.55)
Return on plan assets	0.38	(0.08)
Net Income / (Cost) in Other Comprehensive Income	**1.04**	**(2.63)**

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Assumptions	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Expected Return on Plan Assets	3.91%	4.05%	3.85%
Discount rate	3.91%	4.05%	3.85%
Expected rate of salary increases			
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%	0.00%
Operators	0.00%	0.00%	0.00%
Expected rate of attrition			
Rate of Employee Turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table

RPDC has generally invested the plan assets with the insurer managed funds. The Insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits.The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the detemination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Sensitivity Analysis	As at 31 March, 2018	As at 31 March, 2017
Projected Benefit Obligation on Current Assumptions	**36.35**	**34.34**
Delta Effect of +0.5% Change in Rate of Discounting	(2.73)	(2.41)
Delta Effect of -0.5% Change in Rate of Discounting	2.78	2.49

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

34 Earnings per Share:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Basic Earnings per share		
From continuing operations (in ₹)	21.78	4.11
Diluted Earnings per share		
From continuing operations (in ₹)	21.40	4.11

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Profit for the year	24.22	4.32
Dividends paid on convertible non-participating preference shares	-	-
Earnings used in the calculation of basic earnings per share	**24.22**	**4.32**
Earnings used in the calculation of basic earnings per share form continuing operations	**24.22**	**4.32**

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(All amounts are in crores in INR unless otherwise stated)

in Nos.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,16,07,541	1,05,10,649
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,11,17,696	1,05,10,649

Diluted Earnings per share

The earnings used in the calculation of diluted earnings per share as follows:

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Earnings used in the calculation of basic earnings per share	24.22	4.32
Earnings used in the calculation of diluted earnings per share	24.22	4.32

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

in Nos.

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Weighted average number of equity shares used in the calculation of basic earnings per share	1,11,17,696	1,05,10,649
Convertible warrants	2,02,349	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,13,20,045	1,05,10,649

35 (a) Finance lease arrangements

The details of the maturity profile of future finance lease payments are furnished below:

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
(a) Future minimum lease payments under Finance lease for each of the following periods:			
Not later than one year	-	1.90	3.11
Later than one year and not later than five years	-	2.80	4.82
Later than five years	-	-	-
(b) Lease interest recognised in the Statement of Profit and Loss for the period	-	0.25	0.49

(b) Operating lease arrangements

The Group as lessee

Land

The Group has taken land on lease for a period of 90 years (Pantnagar) and 20 years (Sanand) and the same has been classified as prepayments under other non-current assets. The lease has been considered as operating lease due to indefinite useful life of land.

Vehicles

The Group has taken vehicles/Forklifts under operating lease for a period ranging upto 5 years. The details of the maturity profile of future operating lease payments are furnished below:

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Payments recognised as an expense

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Minimum lease payments	1.02	0.98
	1.02	**0.98**

Non-cancellable operating lease commitments

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Not later than 1 year	0.86	0.92	0.43
Later than 1 year and not later than 5 years	0.81	1.42	0.57
Later than 5 years	-	-	-
	1.67	**2.34**	**1.00**

Cancellable operating leases

The Group has cancellable operating leases for business purpose which are renewable on a periodic basis.

* The lease payments under cancellable operating leases for the year ended 31 March, 2018 amounts to ₹ 1.76 crores (For the year ended 31 March, 2017 ₹ 2.00 crores)

36 Contingent Liabilities, Guarantees and Commitment

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Contingent Liabilities			
Claims against the Group not acknowledged as debt			
- Income Tax matters under appeal by the Group	15.20	18.28	18.15
- Central Excise, Service Tax and Sales tax matters under appeal by the Group	5.34	4.61	14.43
- Labour related matters under appeal by the Group	2.32	2.10	1.24
- Others-Customer claim disputed by the Group	104.29	-	-
Others			
- Income Tax matters under appeal by the Department	0.31	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/decisions pending at various authorities			
Guarantees and Letter of credit			
- Outstanding bank guarantees	1.18	0.47	1.07
- Letter of credit	13.27	9.51	18.83
Commitments			
- Estimated amount of contracts remaining to be executed on capital account and not provided for	7.27	12.64	8.18
Total	**149.18**	**47.92**	**62.21**

37 Events after the reporting date

The final dividend amount of ₹7.50 Per share recommended by the directors is subject to the approval of shareholders in ensuing Annual General Meeting.

38 Exceptional Item

During the quarter ended 30 September, 2017, the Group had recorded an aggregate claim of ₹10.08 crores from a customer towards certain product quality issues.The Group has an insurance policy to cover product recall/ guarantee claims/ costs. The claim has been intimated to the insurer and has been considered as insurance claim receivable as the Group is confident of recovering this sum under the insurance policy.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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39 Particulars of Closing Inventories of Raw Materials, Work-in-Progress and Finished Goods

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Raw Materials and components			
Steel Forgings	5.06	3.11	2.84
Castings	1.67	1.21	0.88
Steel Tubes	0.17	0.05	0.06
Aluminium	1.04	1.91	2.61
Aluminium Pumps & Tubes	0.97	0.98	1.10
Others (individually less than 10% of the total raw materials and components inventory)	21.29	13.22	10.72
Total	**30.20**	**20.48**	**18.21**
Work-in-progress			
Steering and Suspension Linkage Products	8.16	5.44	3.70
Steering Gear Products	4.39	2.25	3.05
Hydrostatic Steering Units	1.01	0.88	0.21
Diecasting products	7.75	6.05	6.25
Total	**21.31**	**14.62**	**13.21**
Finished goods (including Goods in Transit)			
Steering and Suspension Linkage Products	28.25	19.94	22.85
Steering Gear Products	18.72	18.33	10.23
Hydrostatic Steering Units	2.80	1.10	2.33
Diecasting products	26.54	25.13	19.40
Other Auto components	3.44	5.04	4.56
Total	**79.75**	**69.54**	**59.37**

40 Details of sale of Products

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Steering and Suspension Linkage Products	418.92	373.64
Steering Gear Products	568.91	474.99
Hydrostatic Steering Units	40.43	21.77
Diecasting products	303.80	338.67
Other Auto components	41.92	41.14
Total	**1,373.98**	**1,250.21**

41 Details of Raw Materials and components consumed

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
Steel Forgings		194.80		127.66
Castings		62.13		57.45
Steel Tubes		115.91		95.76
Aluminium		111.06		119.65
Aluminium pumps and tubes		7.34		5.85
Other Auto parts		32.38		29.16
Others (individually less than 10% of the total consumption)		228.36		182.95
Total		**751.98**		**618.48**
Imported	10.26%	77.15	9.41%	58.17
Indigenous	89.74%	674.83	90.59%	560.31
	100.00%	**751.98**	**100.00%**	**618.48**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

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42 Stores, Spares and Tools consumed

Particulars	Year ended 31 March, 2018		Year ended 31 March, 2017	
Imported	1.68%	1.09	2.43%	1.41
Indigenous	98.32%	63.93	97.57%	56.69
Total	**100.00%**	**65.02**	**100.00%**	**58.10**

43 Value of Imports calculated on CIF basis

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Raw materials	5.47	40.37
Components	27.54	20.17
Stores, Spares & Tools	2.09	1.28
Capital goods	5.15	10.12
Total	**40.25**	**71.94**

44 Research and Development cost

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Capital expenditure	2.60	3.82
Revenue expenditure:		
i) Materials	0.36	0.56
ii) Employee benefits	5.24	4.54
iii) Professional fees	0.31	0.41
iv) Consumables	0.72	0.78
v) Travel expenses	0.54	0.46
vi) Others	0.89	0.97
Total	**10.66**	**11.54**

Note: The above expenditure has been incurred by all the units of the Group. However deduction under Section 35(2AB) of the Income Tax Act, 1961 is being claimed only for Velachery and Puducherry unit.

45 Expenditure in foreign currency

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
Travelling expenses	0.88	0.89
Freight outward and storage charges	1.59	3.08
Sales promotion expenses	2.11	1.76
Interest	0.35	1.48
Royalty, Professional and Technical Fees	2.14	1.45
Total	**7.07**	**8.66**

46 Earnings in foreign exchange

Particulars	Year ended 31 March, 2018	Year ended 31 March, 2017
FOB Value of Exports	232.50	216.31

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47 Details on Derivative Instruments

I. The following derivative positions are open as at 31 March, 2018

(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.

Outstanding forward exchange contracts entered into by the Group as on 31 March, 2018.

Currency	Buy / Sell	Amount (₹ in crores)	Cross Currency
USD	Sell	35.34	Rupees
USD	Sell	(7.22)	Rupees

Note: Figures in brackets relate to the previous year

48 Interest in other entities

Subsidiaries

The Group's subsidiaries as at 31 March, 2018 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business / Country of Incorporation	Ownership Interest held by the Group			Ownership interest held by non-controlling interests			Principal Activities
		31 March, 2018	31 March, 2017	01 April, 2016	31 March, 2018	31 March, 2017	01 April, 2016	
Rane (Madras) International Holdings B.V (RMIH)	Netherlands	100%	100%	100%	0%	0%	0%	Strategic overseas investment
Rane Precision Die Casting Inc. (RPDC)	USA	100%	100%	100%	0%	0%	0%	Manufacture of high pressure aluminium die casting

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

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49 Additional Information required by Schedule III

Name of the entity in the Group	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated other comprehensive income	Amount
Parent						
Rane (Madras) Limited						
31 March, 2018	116%	266.44	173%	41.81	0%	0.01
31 March, 2017	109%	170.95	478%	20.66	-6%	(0.24)
Subsidiaries						
Rane (Madras) International Holdings B.V (RMIH)						
31 March, 2018	0%	-0.35	9%	2.15	6%	(0.33)
31 March, 2017	-1%	-2.18	-57%	(2.46)	5%	0.19
Rane Precision Die Casting Inc. (RPDC)						
31 March, 2018	-1%	-1.89	-80%	(19.31)	94%	(5.01)
31 March, 2017	5%	7.38	-318%	(13.76)	101%	4.06
Consolidation adjustments						
31 March, 2018	-15%	-34.44	-2%	(0.43)	0%	-
31 March, 2017	-12%	-18.94	-3%	(0.12)	0%	-
Total						
31 March, 2018	100%	229.76	100%	24.22	100%	(5.33)
31 March, 2017	100%	157.21	100%	4.32	100%	4.01

50 Transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March, 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS balance sheet at 01 April, 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

An explanation of how the transition from previous Indian GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

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A.1 Ind AS optional exemptions

A.1.1 Business combinations

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.1.2 Prospective application of Ind AS 21 to business combinations

The Group elected to apply Ind AS 21 Effects of changes in Foreign Exchange Rates prospectively for business combinations that occurred before the date of transition to Ind AS.

A.1.3 Deemed cost

The Group has elected to measure all of its Property, Plant and Equipment and intangible assets at their previous GAAP carrying value adjusted for the impact of outstanding Government Grant relating to purchase of property plant and equipment and use the value so arrived as the deemed cost of the Property, Plant and Equipment and intangible assets.

A.1.4 Leases

The Group has elected to assess whether a contract or arrangement contains a lease on a prospective basis i.e. on the basis of facts and circumstances existing at the date of transition to Ind AS.

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

On assessment of estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates except Impairment of financial asset based on expected credit loss model as the same was not required under previous GAAP.

A.2.2 Classification and measurement of financial assets

The Group has done the assessment of classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

A.2.3 Impairment of financial assets

The Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind AS, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101

A.2.4 Government loans

The Group has applied Ind AS 109 'Financial Instruments' and Ind AS 20 'Accounting for Government Grants and disclosure of Government Assistance' prospectively to Government loans existing at the date of transition and the Group has not recognised the corresponding benefit of the Government loans at the below market rate of interest as a Government grant. Consequently, the Group has used the previous GAAP carrying amount of the Government loans at the date of transition as the carrying amount of these loans in the opening Ind AS Balance Sheet.

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First-time Ind AS adoption reconciliations

50.1 Effect of Ind AS adoption on the Balance Sheet as at 31 March, 2017 and 01 April, 2016

Particulars	Notes	As at 31 March, 2017 (End of last period presented under previous GAAP)			As at 01 April, 2016 (End of last period presented under previous GAAP)		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
Non-Current Assets							
Property, Plant and Equipment	(i),(ii)	351.29	6.04	357.33	354.32	3.79	358.11
Capital work-in-progress		27.55	-	27.55	7.39	-	7.39
Goodwill	(iii)	4.00	2.03	6.03	6.03	-	6.03
Other intangible assets		1.64	-	1.64	0.55	-	0.55
Financial assets							
(i) Investments		-	-	-	-	-	-
(ii) Other financial assets		7.68	-	7.68	3.34	-	3.34
Deferred tax assets (Net)	(iv)	1.31	(0.40)	0.91	3.06	0.07	3.13
Tax assets (Net)		7.52	(0.55)	6.97	8.65	(0.22)	8.43
Other Non-Current Assets	(ii)	19.02	2.07	21.09	10.00	2.35	12.35
Total Non-Current Assets		**420.01**	**9.19**	**429.20**	**393.34**	**5.99**	**399.33**
Current Assets							
Inventories		126.37	-	126.37	100.96	-	100.96
Financial Assets							
(i) Trade receivables	(v), (vi)	184.92	3.17	188.09	165.13	5.78	170.91
(ii) Cash and cash equivalents		5.61	-	5.61	1.69	-	1.69
(iii) Bank balances other than (ii) above		0.36	-	0.36	0.98	-	0.98
(iv) Loans		0.29	-	0.29	0.54	-	0.54
(v) Other financial assets		3.42	-	3.42	3.29	-	3.29
Other Current Assets		33.18	-	33.18	26.85	-	26.85
Total Current Assets		**354.15**	**3.17**	**357.33**	**299.44**	**5.78**	**305.22**
Total Assets		**774.16**	**12.36**	**786.52**	**692.78**	**11.77**	**704.55**
Equity							
Equity share capital	(vii)	18.74	(8.23)	10.51	18.74	(8.23)	10.51
Other equity		144.40	2.29	146.69	140.43	0.45	140.88
Total Equity (Shareholders' funds under previous GAAP)		**163.14**	**(5.94)**	**157.20**	**159.17**	**(7.78)**	**151.39**
Non-Current Liabilities							
Financial Liabilities							
(i) Borrowings	(vii),(viii)	149.36	8.06	157.42	124.07	7.97	132.04
(ii) Other financial liabilities		0.15	-	0.15	0.14	-	0.14
Provisions		4.78	-	4.78	4.15	-	4.15
Other non-current liabilities	(i)	2.70	5.12	7.82	4.56	4.10	8.66
Total Non-Current Liabilities		**156.99**	**13.18**	**170.17**	**132.92**	**12.07**	**144.99**
Current Liabilities							
Financial liabilities							
(i) Borrowings	(v)	176.78	3.52	180.30	143.43	5.94	149.37
(ii) Trade payables		196.82	(0.05)	196.77	146.69	-	146.69
(iii) Other financial liabilities		45.33	-	45.33	72.07	-	72.07
Provisions		6.74	-	6.74	5.61	0.01	5.62
Other current liabilities	(i)	28.36	1.65	30.01	32.89	1.53	34.42
Total Current Liabilities		**454.03**	**5.12**	**459.15**	**400.69**	**7.48**	**408.17**
Total Liabilities		**611.02**	**18.30**	**629.32**	**533.61**	**19.55**	**553.16**
Total Equity and Liabilities		**774.16**	**12.36**	**786.52**	**692.78**	**11.77**	**704.55**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

50.2 Reconciliation of Total Equity as at 31 March, 2017 and 01 April, 2016

Particulars	Notes	As at 31 March, 2017	As at 01 April, 2016
Total equity (shareholders' funds) under previous GAAP		**163.14**	**159.17**
Charge of Deferred income of Government Grant	(i)	2.52	1.33
Reversal of amortisation of Goodwill	(iii)	2.03	-
Loan at amortised cost	(viii)	0.17	0.26
Redeemable preference shares classified as a liability under Ind AS	(vii)	(8.23)	(8.23)
Depreciation on asset related Government Grant	(i)	(1.23)	(0.48)
Reclassification of Government Grant as per Ind AS	(i)	(0.29)	(0.33)
Provision on expected credit losses on trade receivables	(vi)	(0.36)	(0.16)
Reversal of Pension liability on account of remeasurement (Refer Note 50.4)		0.32	-
Deferred tax adjustment	(iv)	(0.87)	(0.17)
Total adjustment to equity		**(5.94)**	**(7.78)**
Total equity under Ind AS		**157.20**	**151.39**

50.3 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended 31 March, 2017

Particulars	Notes	Previous GAAP	Effect of transition	Ind AS
Revenue from operations	(ix), (xii)	1,304.28	(14.04)	1,290.24
Other income	(i)	10.24	1.24	11.48
Total Income (A)		**1,314.52**	**(12.80)**	**1,301.72**
Expenses				
Cost of materials consumed		664.01	-	664.01
Changes in inventories of Finished Goods, Stock-In-Trade and Work-In-Progress		(11.58)	-	(11.58)
Excise duty on sale of goods		95.20	-	95.20
Employee benefits expense	(x)	202.88	-	202.88
Finance costs	(vii),(viii)	29.44	0.75	30.19
Depreciation and amortisation expense	(i),(ii)	58.73	(1.57)	57.16
Other expenses	(ii),(ix)	263.56	(12.26)	251.30
Total expenses (B)		**1,302.24**	**(13.08)**	**1,289.16**
Profit before tax (A-B)		**12.28**	**0.28**	**12.56**
Tax expense				
(1) Current tax		4.02	0.33	4.35
(2) Deferred tax	(iv)	3.30	0.59	3.89
Total tax expense		**7.32**	**0.92**	**8.24**
Profit for the period		**4.96**	**(0.64)**	**4.32**
Other comprehensive income				
A (i) Items that will not be reclassified to profit or loss				
a) Remeasurements of the defined benefit plans	(x)	-	1.61	1.61
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	0.33	0.33
B (i) Items that may be reclassified to profit or loss				
a) Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(xi)	-	0.55	0.55
b) Exchange Differences on translation of foreign operations		-	1.72	1.72
(ii) Income tax relating to items that may be reclassified to profit or loss		-	(0.20)	(0.20)
Total other comprehensive income [A (i-ii)+ B (i-ii)]		**-**	**4.01**	**4.01**
Total comprehensive income for the year		**4.96**	**3.37**	**8.33**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

50.4 Reconciliation of Total Comprehensive Income for the year ended 31 March, 2017

Particulars	Notes	Year ended 31 March, 2017 (Latest period presented under previous GAAP)
Profit as per previous GAAP		**4.96**
Adjustments :		
Impairment of Goodwill	(iii)	2.03
Charge of Deferred income of Government Grant	(i)	1.24
Remeasurement of post employment benefit obligations	(x)	(1.94)
Depreciation on asset related Government Grant	(i)	(0.75)
Dividend on redeemable preference shares	(vii)	(0.67)
Provision on expected credit losses on trade receivables	(vi)	(0.20)
Loan at amortised cost	(viii)	(0.09)
Remeasurement of post employment benefit obligations (Refer Note.2)		0.32
Deferred tax adjustment	(iv)	(0.58)
Total effect of transition to Ind AS		**(0.64)**
Profit for the year as per Ind AS		**4.32**
Other comprehensive income for the year (net of tax)		
Remeasurement of the defined benefit plans	(x)	1.94
Effective portion of gains and loss on designated portion of hedging instruments in a cash flow hedge	(xi)	0.35
Exchange Differences on translation of foreign operations		1.72
Total Comprehensive Income under Ind AS		**8.33**

Note 1 : Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under the previous GAAP.

Note 2 : Under Ind AS post employment benefit obligation should be discounted using a discount rate determined by market yields at the reporting date on Government bonds. Accordingly, in respect of the foreign subsidiary (RPDC), the remeasurement gain of pension liability at the reporting date as per Ind AS 19 has been adjusted.

50.5 Effect of Ind AS adoption on the Statement of Cash Flows for the year ended 31 March, 2017

Particulars	Previous GAAP	Effect of transition	Ind AS
Net cash flows from Operating activities	95.46	(7.88)	87.58
Net cash flows from Investing activities	(80.85)	3.91	(76.94)
Net cash flows from Financing activities	(7.29)	0.57	(6.72)
Net increase (decrease) in cash and cash equivalents	**7.32**	**(3.40)**	**3.92**
Cash and cash equivalents at the beginning of the year	1.69	-	1.69
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-	-
Cash and cash equivalents at the end of the year	**9.01**	**(3.40)**	**5.61**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018
(All amounts are in crores in INR unless otherwise stated)

50.6 Analysis of cash and cash equivalents as at 31 March, 2017 and as at 01 April, 2016 for the purpose of Statement of Cash Flows under Ind AS

Particulars	As at 31 March, 2017	As at 01 April, 2016
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP	**9.01**	**1.69**
Less:Margin Money Deposit	(3.40)	-
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	**5.61**	**1.69**

Notes to first time adoption :

(i) Government Grants

(a) Under the previous GAAP, Export Promotion Capital Goods (EPCG) benefit received was netted off with the value of related Property, Plant & Equipment (PPE). Under Ind AS, the value of PPE has been grossed up and the EPCG benefit is treated as grant and recognised by way of setting up as deferred income.

(b) Under previous GAAP the Group has recognised the governement grant related to procurement of assets under Capital Reserve. Under Ind AS asset related governmet grants are required to be presented as deferred income and amortised over the useful life of the asset.

(ii) Leasehold Land

Under previous GAAP, the Group has taken land on lease for a period of 90 years and capitalised as "leasehold land" in the books considering the same as Finance lease. Under Ind AS the asset with indefinite useful life should be considered as operating lease only. Hence, the leasehold land is derecognised from Property, Plant and Equipment and classified as prepayments under other non-current assets.

(iii) Goodwill

Under the previous GAAP, Goodwill was amortised over the useful life. As per Ind AS 36 "Impairment of Assets", Goodwill and Intangible assets with indefinite useful lives are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

(iv) Deferred tax

Deferred tax has been recognised on the adjustments made on transition to Ind AS.

(v) Bill Discounting

Under previous GAAP customer bill discounting with recourse is derecognised from Trade receivables and shown as contingent liability. Under Ind AS customer bill discounting with recourse are recognised as Trade receivable with corresponding liability in Borrowings based on assesment of risk and rewards of ownership of receivables discounted.

(vi) Expected Credit Loss

Under previous GAAP, provision for bad and doubtful debts was recognised as per the internal policy of the Group based on ageing of Trade Receivables. Under Ind AS, the impairment loss allowance on account of Trade receivables is created based on a provision matrix computed under the Expected credit loss method.

(vii) Preference shares classification

Under the previous GAAP, preference shares are shown under Share Capital. Under Ind AS the preference shares should be classified as financial liability and measured at amortised cost since the instrument are redeemable and does not evidence any residual interest in the Group.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 MARCH, 2018

(All amounts are in crores in INR unless otherwise stated)

(viii) Borrowings

Under previous GAAP transaction fees on borrowings were charged off to expense during availment of loan. Under Ind As the transaction cost is required to be deducted from the carrying amount of the borrowings on the initial recognition. These costs are recognised in the statement of profit and loss over the tenor of the borrowing as part of the interest expense by applying the Effective interest rate method.

(ix) Discount and incentives

Under the previous GAAP, discounts in the nature of cash and volume discount have presented as item of expense in the statement of profit and loss account. However under Ind AS, revenue is to be recognised at the fair value of consideration received or receviable after considering such discounts.

(x) Actuarial gain and loss

Under previous GAAP, actuarial gains or losses were recognised as Employee Benefit expenses in profit or loss. Under Ind AS, the actuarial gains or losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of Profit or Loss.

(xi) Hedging

Under previous GAAP, discount/premium on forward/Option contracts were amortised over the tenor of the forward/Option contract. Under Ind AS, the Group is required to designate Hedge as Fair value Hedge or Cash Flow Hedge. Fair value Hedges are hedges of the fair value of assets or liabilities or a firm commitment and cash flow hedges are hedges of a particular risk associated with the cash flows of highly probable forecast transactions. Accordingly, resulting gain or loss in an effective cash flow hedge has been adjusted in other comprehensive income and ineffective portion has been taken to statement of profit and loss account.

(xii) Excise Duty

Under previous GAAP, cash discounts and rebates passed on to customers were recorded in other expenses. Under Ind AS, these are reflected as adjustments to revenue for sale of products. Under previous GAAP, excise duty on sale of goods was adjusted in revenue from sale of products whereas under Ind AS, it is considered as a production cost and hence, disclosed seperately as an expense in the statement of profit and loss.

51 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 30 April, 2018.

For and on behalf of the Board of Directors

	L GANESH Chairman DIN : 00012583	**HARISH LAKSHMAN** Vice Chairman DIN : 00012602	**S PARTHASARATHY** Chief Executive Officer
Chennai 30 April, 2018	**J RADHA** Chief Financial Officer	**S SUBHA SHREE** Company 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 statement of subsidiaries

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

INR in crores
USD in Lakhs
EUR in Lakhs

S. No	Particulars	1		2	
1	Name of the subsidiary	Rane (Madras) International Holdings, B.V		Rane Precision Die Casting, Inc.,	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	EUR 1EUR= ₹ 80.62		USD 1USD= ₹ 65.18	
		EUR	**INR**	**USD**	**INR**
4	Share capital	0.20	0.15	51.40	33.51
5	Reserves & surplus	(0.63)	(0.50)	(54.30)	(35.39)
6	Total assets	42.87	34.56	154.74	100.87
7	Total Liabilities	43.30	34.91	157.64	102.75
8	Investments	41.56	33.51	-	-
9	Turnover (including other Income)	5.08	3.84	288.68	186.07
10	Profit before Taxation	2.85	2.15	(33.82)	(21.80)
11	Provision for Taxation	-	-	(3.86)	(2.49)
12	Profit after Taxation	2.85	2.15	(29.96)	(19.31)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

For and on behalf of the Board of Directors

L GANESH
Chairman
DIN : 00012583

HARISH LAKSHMAN
Vice Chairman
DIN : 00012602

S PARTHASARATHY
Chief Executive Officer

Chennai
30 April, 2018

J RADHA
Chief Financial Officer

S SUBHA SHREE
Company Secretary

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES FOR THE YEAR 2017-18

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

1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	Remuneration FY 2017-18 (in ₹ Crs.)	% increase/ (decrease) of remuneration FY 2017-18	Ratio of remuneration of each director to median remuneration of employees
Mr. L Ganesh	Non-Executive Chairman	1.24	143.50%	27.50
Key Managerial Personnel				
Mr. S Parthasarathy	Chief Executive Officer (CEO)	1.49	7.97%	Not Applicable
Ms. J Radha	Chief Financial Officer (CFO)	0.53	6%	
Mr. S Subha Shree	Company Secretary (Refer Note iii)	0.18	6%	

Note:

(i) None of the other directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof.

(ii) Remuneration considered based on annual emoulments and designation as on date.

(iii) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.

2. Median remuneration of the employees of the Company for FY 2017-18 is ₹ 4.51 Lakhs. Increase in median remuneration during the year : 6%

3. Number of permanent employees on the rolls of the Company as on 31 March, 2018 was 1107 as against 1062 as on 31 March, 2017.

4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 6%, as against an percentile increase in managerial remuneration: 7%. The increase in managerial remuneration is in line with present industry standards.

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

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

i. Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. S Parthasarthy	Chief Executive Officer	1,48,62,880	Permanent	B.E, MBA (OUBS) UK & 33 years	May 17, 1985	60	Ralli-wolf	-	-
Ms. Gowri Kailasam	President - Steering Gear Division	1,00,95,738	Permanent	B.Tech (Chemical Engg.), MS in Chemical Engg. & MBA & 24 years	August 18, 2003	51	Ford India	-	-
Mr. D Sundar	President – Die Cast Division	74,73,992	Permanent	DME, BE, MBA & 38 years	August 31, 1994	57	Dev Fasteners	-	-
Mr. T Giriprasad	Senior Vice President - Rane Auto Parts	60,43,668	Permanent	B.Sc. (Physics), BE (Metallurgy), MBA & 26 years	March 03, 2004	54	Jai Parbolic Ltd	-	-
Mr. R Balakrishnan	Senior Vice President - Marketing	57,82,256	Permanent	B.Tech (M) & 29 years	March 23, 2006	53	Kidde India	-	-
Ms. J Radha	Vice President - Finance & CFO	53,16,817	Permanent	CA, CS (Inter) & 24 years	June 04, 2015	52	Blue Star Limited	-	-
Mr. A Makesh	Senior Vice President - Materials	49,88,504	Permanent	BE (Mechanical), PGDMM, MBA (IIM,K) & 26 years	July 01, 1999	51	ALSTOM Transport Ltd.	-	-
Mr. Atul Arora	Vice President - Rane Auto Parts	44,40,270	Permanent	B.Com, LLB & 36 years	April 10, 1982	59	Jalandhar Auto Sales Ltd	-	-

Name	Designation	Remuneration (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr. A Murugapandian	Vice President - R&D	41,22,496	Permanent	M.E. Automobile Engineering & 27 years	February 02, 1994	50	Pentafour Energy & Fuellyst Ltd	-	-
Mr. D Satheeshkumar	Vice President - Operations	39,67,345	Permanent	B.E & 23 years	April 21, 2017	45	Mafoi Connecting Dots Advisory (P) Ltd	-	-

ii. Employed throughout the financial year with remuneration not less than ₹ 1.02 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**

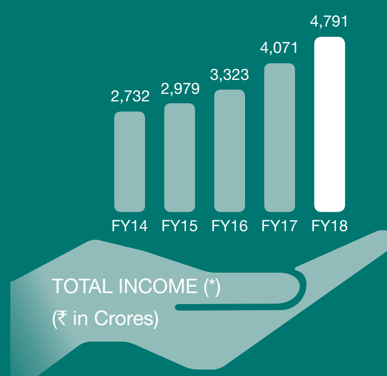
iii. Employees whose remuneration was not less than ₹ 8.50 lakhs p.m (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above) : **NIL**

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**

Our Parentage

Rane Holdings Limited

Founded 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 perceived as the most preferred Original Equipment vendor by auto majors – both domestically as well as in the International market. Our products cater to a broad spectrum of automobile industry including passenger cars (PC), light commercial vehicles (LCV), medium and heavy commercial vehicles (MHCV), two-wheelers, three-wheelers, multi-utility vehicles (MUV) and farm tractors. With presence across 23 locations in India and one in the USA, Rane Holdings is a multi-faceted and highly respected Auto Component supplier.



(*) Total Income are net of excise duty

Subsidiaries	Joint Ventures
Rane (Madras) Limited • Rane (Madras) International Holdings, B.V., The Netherlands • Rane Precision Die Casting Inc., USA	Rane TRW Steering Systems Private Limited
Rane Engine Valve Limited	Rane NSK Steering Systems Private Limited
Rane Brake Lining Limited	JMA Rane Marketing Limited
Rane t4u Private Limited	
Rane Holdings America Inc., USA	
Rane Holdings Europe GmbH, Germany	

Expanding Horizons

Rane (Madras) Limited

CIN: L65993TN2004PLC052856
“Maithri”, 132, Cathedral Road,
Chennai-600086, India
Phone: +91 44 28112472 / 73
Fax: +91 44 28112449
www.ranegroup.com