

# **Rane Holdings Limited**

86<sup>th</sup> Annual Report 2021-22

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## FINANCIAL HIGHLIGHTS - STANDALONE

### OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Total Income	109.24	65.99	97.78	128.49	97.09	98.81	75.85	59.94	53.50	57.73
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)*	56.65	21.13	62.42	90.96	62.40	66.95	46.29	33.99	29.16	34.49
Profit Before Tax (PBT)*	47.66	14.98	57.04	87.49	58.79	62.76	42.90	32.68	27.95	32.53
Profit After Tax (PAT)	33.88	1.36	50.82	76.36	48.79	49.80	35.65	25.92	21.73	25.95

(\*) EBITDA & PBT arrived after considering exceptional item.

### KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Return on Capital Employed (ROCE) %	12.32	6.11	15.18	19.96	15.44	17.96	13.66	11.53	10.44	12.90
Return on Equity (ROE) %	6.96	0.29	11.41	19.13	13.34	15.20	12.17	9.38	8.24	10.32
Earnings Per Share (₹)	23.73	0.95	35.59	53.48	34.17	34.88	24.97	18.16	15.22	18.17
Dividend (%) (@)	120	-	80	190	145	85	100	75	65	80
Dividend Payout (%) (#)	51	-	25	49	51	29	48	50	50	51
Book Value Per Share (₹)	354.00	328.17	321.84	301.87	257.33	244.98	212.14	198.25	188.75	180.81

(@) Includes final /interim dividend, if any, recommended by the Board for the respective financial years.

(#) Dividend payout is calculated on profits.

### BALANCE SHEET HIGHLIGHTS\*\*

(₹ in Crores)

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Equity Share Capital	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28
Shareholders' funds	505.43	468.56	459.52	431.01	381.69	349.77	302.90	283.06	269.49	258.16
Non current Liabilities	62.45	72.82	23.41	13.99	19.15	8.45	22.40	0.64	0.84	2.65
Current Liabilities	23.15	20.46	19.43	16.34	16.45	13.67	12.23	18.47	16.93	14.25
Non current assets	582.38	538.84	483.22	445.00	394.38	306.38	320.74	280.92	273.17	267.38
Current assets	8.65	23.00	19.14	16.34	22.91	65.51	16.78	21.25	14.09	7.68

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

#### Note :

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

## RANE GROUP AGGREGATE

(₹ in Crores)

FINANCIAL YEAR	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17
Total Income*	5,440.14	4,140.37	4,436.85	5,369.41	4,792.71	4,070.83
EBITDA#	276.62	145.07	244.65	552.26	600.19	533.78
PBT#	3.81	(113.60)	(32.79)	288.76	355.00	306.31
PAT	(0.68)	(96.68)	(28.31)	178.56	230.49	211.67
EPS** (₹)	16.91	(35.42)	(1.90)	72.65	91.26	93.41
Net Worth	1,103.19	1,082.17	1,149.43	1,275.14	1,185.76	963.95

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

(#) EBITDA & PBT arrived after considering exceptional item

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

## FROM THE DESK OF THE CHAIRMAN



*Dear Stakeholders,*

FY22 was an eventful year with the country weathering two waves of COVID-19. The global economy is projected to have grown by 5.9% in 2021, the fastest rate recorded in over four decades. After recovering from a historic contraction of 7.3% in the preceding year, India's economy is estimated to have grown by 9.0% in FY22 surpassing pre-pandemic level.

The demand environment remained largely favourable with passenger vehicle and commercial vehicle segments clocking healthy growth whereas two wheeler and farm tractor segments had marginal decline. Semiconductor shortages continued in FY22. Supply chain and logistics related issues have been chaotic and last but not the least, commodity price increases globally and in India has been extremely challenging.

### Group Performance

The group aggregate Total Revenue grew 31% to ₹5,440 crore, highest ever revenue for the group. Though the growth was partially due to low base and commodity price adjustments, the group companies continued to gain market share with key customers, and grow the international business to post healthy growth. Through various cost savings and operational improvement initiatives, we were able to sustain the EBITDA margin despite significant increase in the material cost.

The group companies continued to focus on operational improvement initiatives to handle the inflationary pressures and saw good traction with new business development initiatives during this period.

### Operating Companies

Both the steering and light metal castings business of Rane (Madras) Limited experienced strong growth supported by increased off-take from domestic and international customers. Strong order book pipeline will support strong growth in the coming years.

Rane Light Metal Casting America (LMCA) has been able to sustain operational performance with continuation of TQM practices. LMCA continued to face challenges in the global supply chain shortage leading to deferment in launch of key new businesses and lower off take from existing customers. The focus for FY 2022-23 will be to build on the operational improvements, secure new businesses and hope for volume enhancement of our current business to ensure the long term sustainability of the Company.

Rane Engine Valve Limited (REVL) continued improving the operational performance across plants. REVL is focusing on growing its EV insulated business including non-auto business. Non-auto business grew 42% and contributes 25% of REVL sales. With the increase in volumes, we are looking at achieving a full turnaround and break even in 2022-23.

With the support of favourable market demand, Rane Brake Lining posted strong growth. Margin was significantly impacted due to commodity price increases.

Over the past 35 years, our relationship with ZF (erstwhile TRW) grew and we were able to bring in advanced technologies to customers in India. To enhance the cooperation and to take the relationship to the next level, we agreed to transfer 1% stake to the joint venture partner ZF. Also, the name of "Rane TRW Steering Systems Private Limited" was changed to "ZF Rane Automotive India Private Limited" (ZRAI) reflecting the transformation the company has undergone from steering products to include passive safety systems and increased cooperation between the joint venture partners. ZRAI benefited with the strong growth in Indian commercial vehicle segment and off-take from export customers.

Warranty issue continued to hurt the Rane NSK Steering Systems Private Limited. We made further warranty provisions based on the continued claims in FY22. We are confident that the countermeasure has adequately addressed the root cause and the claims are pertaining to the period prior to the countermeasure. With regard to the financial burden, we are in continuous discussion with the Joint Venture Partner NSK and our Customer to solve this

### CSR

Rane's major CSR projects of Polytechnic College and CBSE School continued to flourish and make progress. Rane Polytechnic had 100% placements for 2020-21 batch and stepped into eleventh academic year 2021-22. Rane Vidyalaya stepped into fourth academic year 2021-22 with 459 students across LKG to Class VII.

### Looking forward

Though we are seeing headwinds in global economy and supply chain challenges, we remain optimistic about the demand environment in FY23. We are working across the supply chain to mitigate the challenges.

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

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

Yours Sincerely,

**L Ganesh**  
Chairman

# RANE HOLDINGS LIMITED

## Board of Directors

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

## Chairman Emeritus

L Lakshman

## Audit Committee

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

## Stakeholders Relationship Committee

Dr. Sheela Bhide, Chairperson  
L Ganesh  
Harish Lakshman

## Nomination and Remuneration Committee

Dr. V Sumantran, Chairman  
Pradip Kumar Bishnoi  
Dr. Sheela Bhide

## Corporate Social Responsibility Committee

L Ganesh, Chairman  
Harish Lakshman  
Dr. Sheela Bhide

## Risk Management Committee

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

## President - Corporate Services

R Venkatanarayanan

## President - Finance and Group CFO

P A Padmanabhan

## Executive Vice President - Secretarial & Legal and Secretary

Siva Chandrasekaran

## Senior Vice President - Finance & CFO

M A P Sridhar Kumar

## Listing of Shares on

BSE Limited, Mumbai  
National Stock Exchange of India Limited, Mumbai

## Statutory Auditors

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

## Secretarial Auditors

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

## Bankers

HDFC Bank Limited, Chennai - 600 004  
Federal Bank Limited, Chennai - 600 002

## Registered Office

**Rane Holdings Limited**  
CIN: L35999TN1936PLC002202  
"MAITHRI", 132, Cathedral Road,  
Chennai 600 086  
Phone : +91 44 28112472  
Email : [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com)  
Website : [www.ranegroup.com](http://www.ranegroup.com)

## Registrar and Transfer Agent

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

# Rane Holdings Limited

CIN: L35999TN1936PLC002202

Registered Office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086

Phone: 044-28112472/73

E-mail: [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com), website: [www.ranegroup.com](http://www.ranegroup.com)

## NOTICE TO MEMBERS

NOTICE is hereby given that the Eighty Sixth (86<sup>th</sup>) Annual General Meeting of Rane Holdings Limited will be held on Wednesday, June 29, 2022 at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2022, together with reports of the Board of Directors and the Auditor thereon

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

- (i) "Resolved that the Standalone Audited Financial Statement of the Company for the year ended March 31, 2022 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."
- (ii) "Resolved that the Consolidated Audited Financial Statement of the Company for the year ended March 31, 2022 together with the report of the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

2. To declare dividend on equity shares

To consider passing the following resolution as an ordinary resolution:

"Resolved that a dividend of ₹12/- per equity share having face value of ₹10/- each fully paid up on 1,42,77,809 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2022 absorbing a sum of ₹17.13 crores and that the dividend be paid, subject to deduction of applicable taxes at source, to those shareholders, whose names appear in the Company's Register of Members as on Wednesday, June 22, 2022."

3. To appoint a Director in the place of Mr. Harish Lakshman (DIN: 00012602), who retires by rotation and being eligible, offers himself for re-appointment

To consider passing the following resolution as an ordinary resolution:

"Resolved that Mr. Harish Lakshman (DIN: 00012602) who retires by rotation under article 111 and 113 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

### SPECIAL BUSINESS:

4. To re-appoint Mr. Rajeev Gupta (DIN: 00241501) as an Independent Director for a second term

To consider passing the following resolution as a special resolution:

"Resolved that pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act 2013 and applicable rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Rajeev Gupta (DIN: 00241501), who was appointed as an Independent Director and who holds office upto the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years with effect from the conclusion of the Eighty Sixth Annual General Meeting upto Ninety First Annual General Meeting or June 28, 2027, whichever is earlier, in accordance with the policy of the Company applicable to Board of Directors from time to time."

(By order of the Board)  
For **Rane Holdings Limited**

**Siva Chandrasekaran**  
Secretary

Chennai  
May 26, 2022

Registered Office:  
**Rane Holdings Limited**  
"Maithri", No.132, Cathedral Road,  
Chennai - 600 086  
CIN: L35999TN1936PLC002202  
[www.ranegroup.com](http://www.ranegroup.com)

## NOTES:

1. The 86<sup>th</sup> AGM of the Company is being conducted through VC / OAVM Facility, in compliance with General Circular No. 02/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs ('MCA Circulars') and the provisions of the Act which does not require physical presence of Members at a common venue. The deemed venue for the 86<sup>th</sup> AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate members intending to send their authorised representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the Board resolution authorising their representative to the registered email address of the Company i.e., [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com).
5. The cut-off date for the purpose of determining eligibility of members for voting in connection with the Eighty Sixth AGM is **Wednesday, June 22, 2022**.
6. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed/unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
7. Members may also note that the notice of the Eighty Sixth AGM and the annual report 2022 will be available in the Investors Section on the Company's website [www.ranegroup.com](http://www.ranegroup.com).
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:  
**M/s. Integrated Registry Management Services Private Limited**  
SEBI Registration No. INR0000000544  
2<sup>nd</sup> Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017  
e-mail ID: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)  
Phone: 044 2814 0801-803;  
Fax: 044 2814 2479
10. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. The shareholders are requested to update their PAN with the Company / RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). Shareholders (Resident / Foreign) are required to update necessary documents for exemption / deduction at beneficial rates by uploading necessary documents on the website of the Company at [https://ranegroup.com/rane-holdings-limited-investors/#forms\\_formats\\_document\\_upload](https://ranegroup.com/rane-holdings-limited-investors/#forms_formats_document_upload) or email to [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com).
11. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with Pin Code, email address, mobile number, bank account details) and nomination details by holders of securities. Effective from January 01, 2022, any service requests or complaints received from the member, will not be processed by RTA till the aforesaid details/ documents are provided to RTA. On or after April 01, 2023, in case any of the above cited documents/ details are not available in the Folio(s), RTA shall be constrained to freeze such Folio(s). Relevant details and forms prescribed by SEBI in this regard are available on the website of the Company at [https://ranegroup.com/forms\\_download#forms](https://ranegroup.com/forms_download#forms).
12. As per SEBI norms, with effect from January 25, 2022, all transmission/transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.
13. In compliance with the aforesaid MCA Circular dated May 05, 2022 and SEBI circular dated May 13, 2022, the Notice of the AGM along with the Annual Report



2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2022 will also be available on the Company's website [www.ranegroup.com](http://www.ranegroup.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).

14. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. Information pursuant to regulations 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking re-appointment, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
16. Members seeking any information with regard to any matters be placed at the AGM, are requested to write well in advance to the Company on [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com). The same will be replied by the Company suitably.
17. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.
18. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members/shareholders facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
  - i. The facility of casting the votes by the members/ shareholders using an electronic voting system from a place other than venue of the AGM ('remote e-voting') and for poll during the meeting will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).
  - ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM.
  - iii. Mr. C Ramasubramaniam, Practicing Company Secretary (ICSI Membership no. FCS 6125), Partner, M/s. CR & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the

'remote e-voting' process and voting at the AGM, in a fair and transparent manner.

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

#### THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER AND JOINING VIRTUAL MEETINGS ARE AS UNDER

- (i) The voting period begins on Sunday, June 26, 2022 at 09:00 hrs (IST) and ends on Tuesday, June 28, 2022 at 17:00 hrs (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, June 22, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple E-Voting Service Providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



- (iv) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

CDSL	NSDL
1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/ LINKINTIME, so that the user can visit the e-Voting service providers' website directly.	2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> . Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a> .
3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a> .	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> . The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.	

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

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you

can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

(v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID.
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID.
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

Dividend Bank Details OR Date of Birth (DOB)

Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

- If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on "SUBMIT" tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Click on the EVSN for the relevant Company on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) **Additional Facility for Non - Individual Shareholders and Custodians - For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS TO SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views / ask questions during the meeting may register themselves as a speaker by sending their request in advance between from Friday, June 24, 2022 to Sunday, June 26, 2022 by mentioning their name, demat account number / folio number, email id, mobile number to [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com). The shareholders who do not wish to speak during the AGM but have queries may too send their queries in the above manner.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.
2. For Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders- Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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

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

(By order of the Board)  
For **Rane Holdings Limited**

**Siva Chandrasekaran**  
Secretary

Chennai  
May 26, 2022

Registered Office:  
**Rane Holdings Limited**  
"Maithri", No.132, Cathedral Road,  
Chennai - 600 086  
CIN: L35999TN1936PLC002202  
[www.ranegroup.com](http://www.ranegroup.com)

## EXPLANATORY STATEMENT

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

### Item No. 4

Mr. Rajeev Gupta joined the Board of your Company on August 31, 2017 as an Independent Director. He is completing his first term of five years at the conclusion of this Eighty Sixth AGM.

Mr. Rajeev Gupta has an MBA from IIM Ahmedabad and B. Tech from IIT (BHU). He has 39 years of work experience, including 10 years in senior management roles in industrial businesses and 29 years in financial services.

Mr. Rajeev Gupta founded Arpwood Financial Group in 2012 with businesses in M&A investment banking and Private equity buyouts. Previously, he was a Partner of the Carlyle Group and Head of India buyouts from 2005 to 2010, and Joint Managing Director of DSP Merrill Lynch (from 1995 to 2005). Prior to DSP Merrill Lynch, Mr. Rajeev Gupta held leadership positions in various industrial companies.

Mr. Rajeev Gupta is an Independent Non-Executive Board member of United Spirits Ltd, EIH Ltd, T.V. Today Network Ltd, Vardhman Special Steels Ltd, TVS Capital Funds Pvt Ltd, SBFC Finance Pvt Ltd and Indian Energy Exchange Ltd. He is a member of the advisory board of Bain & Co India Ltd.

His contributions to board's discussions and decisions on various strategic matters especially on financial and investment related areas have been significant and beneficial to the Company.

Based on the recommendations of the NRC considering his expertise, experience and contribution and performance evaluation of directors, the Board of Directors has proposed to the shareholders his re-appointment in the second term as an Independent Director for a period of 5 (five) consecutive years with effect from conclusion of this Eighty Sixth AGM.

His re-appointment proposal is in line with the Company's policy on Director's appointment and remuneration and he shall not be liable to retire by rotation at the Annual General Meeting as provided under Section 152(6) of the Companies Act, 2013. He continues to fulfil the conditions for re-appointment as an Independent Director as specified in the Act and SEBI LODR.

Mr. Rajeev Gupta is not disqualified from being appointed as a Director in terms of section 164 of the Act and has consented for his re-appointment.

The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR, has registered with the Independent Director databank maintained by Indian Institute of Corporate Affairs (IICA) and is exempted from the requisite proficiency test.

In the opinion of Board, Mr. Rajeev Gupta fulfils the conditions for re-appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company.

Other information relating to his re-appointment in accordance with Secretarial Standard -SS-2 and Regulation 36(3) of SEBI LODR is annexed to the Notice.

The terms and conditions of re-appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company [www.ranegroup.com](http://www.ranegroup.com). His re-appointment will also be governed by the policy of the Company as applicable to the Board of Directors.

Mr. Rajeev Gupta is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no.4 of this notice as a **special resolution**.

(By order of the Board)  
For **Rane Holdings Limited**

**Siva Chandrasekaran**  
Secretary

Chennai  
May 26, 2022

Registered Office:  
**Rane Holdings Limited**  
"Maithri", No.132, Cathedral Road,  
Chennai - 600 086  
CIN: L35999TN1936PLC002202  
[www.ranegroup.com](http://www.ranegroup.com)

### Annexure to the Notice dated May 26, 2022

Information about Director(s) seeking appointment / re-appointment of the notice convening Eighty Sixth Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) as on May 26, 2022

Name of the Director	Mr. Harish Lakshman	Mr. Rajeev Gupta
<b>I. Brief Resume</b>		
Age (in years)	48	64
Director Identification Number (DIN)	00012602	00241501
Father's Name	Mr. L Lakshman	Mr. Bodhraj Gupta
Date of Birth	February 12, 1974	March 19, 1958
Educational Qualifications	B.E. - BITS Pilani, MSM - Purdue University, USA.	B. Tech - IIT (BHU), MBA - IIM, Ahmedabad.
Experience	Mr. Harish Lakshman has over 27 years of industrial experience in various domains like marketing, operations, export business developments business other corporate functions. He spearheads the Rane Group's initiative to achieve accelerated profitable growth. He is one of top 40 Indian business leaders published by ET (2014). He serves as Vice-Chairman of your Company apart from being the Vice-Chairman of Rane Engine Valve Limited and Rane (Madras) Limited.	Mr. Rajeev Gupta has 39 years of work experience, including 10 years of senior management roles in industrial businesses and 29 years in financial services.
Nature of expertise	Industrial, technical and operational expertise in automotive and driving business across geographies, governance practices and expertise in allied disciplines.	Professional qualification and experience in the fields of manufacturing, investment banking and private equity have been considered to meet the required skills.
<b>II. Other details</b>		
Date of first appointment on the board	March 31, 2004	August 31, 2017
Terms and Conditions of appointment	Re-appointed as a Non-Executive Director, liable to retire by rotation.	Proposed to be re-appointed as Independent Director in the second term as per resolution no. 4 of the Notice convening the 86 <sup>th</sup> AGM read with explanatory statement thereto.
Last drawn remuneration	Remuneration for FY 2021-22- ₹79,04,532/- (being perquisite value of accommodation)	Sitting fee paid for FY 2021-22 - ₹3,60,000/-
Remuneration sought to be paid	No approval is being sought for payment of remuneration.	No approval is being sought for payment of 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	NIL	NIL

Name of the Director	Mr. Harish Lakshman	Mr. Rajeev Gupta
Other Directorships	<b>Chairman:</b> Rane t4u Private Limited <b>Vice Chairman:</b> Rane (Madras) Limited Rane Engine Valve Limited <b>Managing Director:</b> ZF Rane Automotive India Private Limited (fka Rane TRW Steering Systems Private Limited) <b>Director:</b> Rane Brake Lining Limited Oriental Hotels Limited Rane NSK Steering Systems Private Limited Savithur Enterprises Private Limited HL Hill Station Properties Private Limited Young Presidents Organization (Chennai Chapter) Rane Light Metal Castings America Inc., USA Rane Holdings America Inc.	<b>Chairman:</b> Vardhman Special Steels Limited <b>Director:</b> United Spirits Limited EIH Limited TV Today Network Limited Arpwood Capital Private Limited TVS Capital Funds Private Limited SBFC Finance Private Limited Indian Energy Exchange Limited
Committee Memberships in other Boards	<b>Chairman:</b> <b>Stakeholders Relationship Committee</b> Rane (Madras) Limited Rane Brake Lining Limited  <b>Member:</b> <b>Audit Committee</b> Rane NSK Steering Systems Private Limited <b>Nomination and Remuneration Committee</b> Rane (Madras) Limited Rane Brake Lining Limited Rane Engine Valve Limited <b>Corporate Social Responsibility Committee</b> Rane (Madras) Limited Rane Brake Lining Limited Rane Engine Valve Limited Rane NSK Steering Systems Private Limited <b>Risk Management Committee</b> Rane (Madras) Limited Rane Brake Lining Limited	<b>Chairman:</b> <b>Audit Committee</b> EIH Limited <b>Nomination and Remuneration Committee</b> EIH Limited  <b>Member:</b> <b>Audit Committee</b> TV Today Network Limited United Spirits Limited TVS Capital Funds Private Limited <b>Nomination and Remuneration Committee</b> Vardhman Special Steels Limited <b>Corporate Social Responsibility Committee</b> EIH Limited TVS Capital Funds Private Limited <b>Risk Management Committee</b> EIH Limited
Changes in last three years directorships	-	VIP Industries Limited <sup>1</sup> Cosmo Films Limited <sup>2</sup>
Number of meetings of the Board attended during the year	6	6
Number of equity shares held (including joint holdings & HUF)*	1,39,882*	-

<sup>1</sup> ceased to be director w.e.f 09.07.2019<sup>2</sup> ceased to be director w.e.f 07.08.2020

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

(By order of the Board)  
For **Rane Holdings Limited**

Chennai  
May 26, 2022

**Siva Chandrasekaran**  
Secretary



# REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Eighty Sixth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2022 and other prescribed particulars.

## 1. State of Company's affairs

The financial year 2021-22 started with India facing a second wave of COVID-19 pandemic. The economy bounced back strongly with output reaching pre-pandemic levels on the back of buoyant government spending and pick up in investments post lifting of restrictions. The automotive and auto components industry faced supply chain challenges on the back

of semiconductor shortage, shipping and logistics constraints.

The Company scaled up the production in line with the demand and worked on several cost optimization measures to mitigate the inflationary environment. The Company continued to enhance its customer relationships and increased its business share across several customers.

### 1.1. Financial Performance

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

Sl. No.	Name of investee company	Products / Services	Shareholding
<b>Subsidiary companies</b>			
1	Rane (Madras) Limited (RML)	Steering gear products, steering and suspension linkages, Light metal casting products and other articles of aluminium	71.77%
<b>Step Down Subsidiaries</b>			
a)	Rane (Madras) International Holdings B.V., The Netherlands - (RMIH)	Holds strategic overseas investments	100.00%
b)	Rane Light Metal Castings Inc. USA (RLMCA)	High pressure Light metal casting for automotive applications	100.00%
2	Rane Engine Valve Limited (REVL)	Engine valves, valve guides and tappets	54.82%
3	Rane Brake Lining Limited (RBL)	Brake linings, disc pads, clutch facing and clutch button	50.03%
4	Rane Holdings America Inc. USA (RAHAI)	Providing business development services in North American region for Rane Group Companies	100.00%
5	Rane Holdings Europe GmbH, Germany (RHEG)	Providing business development and other related support services for Rane group companies in the European region	100.00%
6	Rane t4u Private Limited (Rt4u)	Connected Mobility Solutions	98.59%
<b>Joint Venture / Associate Companies</b>			
7	ZF Rane Automotive India Private Limited (fka Rane TRW Steering Systems Private Limited) (ZRAI)	Hydraulic steering gear, Hydraulic pumps, seat belt and Air Bags	49.00%
8	Rane NSK Steering Systems Private Limited (RNSS)	Manual steering columns and electric power steering	49.00%

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

Group Companies in line with each subsidiaries and Joint Venture / Associate Companies vision and mission, business goals and operating models.

During the year, the Company invested an additional ₹30 Crores in subsidiary Rane (Madras) Limited and converted the outstanding 16,99,958 warrants



(conversion of 8,49,979 warrants on August 12, 2021 and conversion of 8,49,979 warrants on January 11, 2022) into equivalent equity shares having a face value of ₹10/- each fully paid-up ranking *pari-passu* in all respects with the existing equity shares, including dividend, if any. Pursuant to the conversion there were no outstanding warrants. This resulted to increase in shareholding of the Company in RML to 71.77%.

The Company on June 09, 2021 exercised call option and subsequently acquired 2,45,574 equity shares from the other existing shareholders of Rt4u. During the year, the Company infused ₹16.34 Crores by subscribing to a rights issue on September 29, 2021 (83,35,000 equity shares of ₹10/- each) and March 11, 2022 (80,01,600 equity shares of ₹10/- each). The acquisition / subscription resulted in an increase in shareholding of the Company to 98.59% (99.45% diluted basis).

The Company on March 08, 2022, subscribed to 5,15,463 warrants convertible into equivalent number of shares having a face value of ₹10/- each of REVL on payment of upto ₹3.75 crore, being the warrant subscription price (i.e. 25% of the issue price of ₹291.00/- per warrant). The warrants are convertible in one or more tranches within a period of eighteen (18) months from the date of allotment of warrants.

Due to the buyback of shares by subsidiary Company RBL which ended on April 26, 2021, the Company holding stands increased to 47.70%. Further, the Company during the year, acquired 1,80,000 equity shares of ₹10/- each fully paid up of RBL at an average price of ₹625.07 per equity share through open market purchase. The shareholding of the Company in RBL increased by further 2.33% to 50.03%. Consequent to this, RBL hitherto which was a subsidiary company by virtue of control on the Board of Directors, now falls under the class subsidiary on account of the Company's holding total voting power standing to have increased to more than 50%.

The Company on December 29, 2021 divested 1% (87,383 equity shares) of the total shareholding of ZRAI to the other joint venture partner ZF Automotive J.V. US LLC for a consideration of ₹20.16 crores. Pursuant to the transfer, RHL holds 49% and ZF holds the remaining 51% shareholding in the Company.

During the period under review, there was no change in management or control of RHL in Rane Group Companies, except for change of shareholding in RML, RBL, ZRAI and Rt4u as discussed above. The standalone financial highlights for the year under review are as follows:

(₹ in Crores)

Particulars	2021-22	2020-21
Revenue from Operations	88.80	65.08
Other Income	20.44	0.91
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	74.46	36.70
Less: Depreciation / Amortisation	3.09	3.06
Profit / loss before Finance Costs, Exceptional items and Tax Expense	71.37	33.64
Less: Finance Costs	5.90	3.09
Profit / loss before Exceptional items and Tax Expense	65.47	30.55
Add / (less): Exceptional items	(17.81)	(15.57)
Profit / (loss) before Tax Expense	47.66	14.98
Less: Tax Expense (Current & Deferred)	13.78	13.62
Profit / (loss) for the year (1)	33.88	1.36
Total Other Comprehensive Income / loss (2)*	0.11	0.49
<b>Total (1+2)</b>	<b>33.99</b>	<b>1.85</b>
Balance of profit / loss for earlier years	72.17	76.03
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	5.71
Balance carried forward	106.16	72.17

\*Re-measurement of defined benefit plans (net) recognised as part of retained earnings

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

The total standalone income of the Company was ₹109.24 crores, increased by 65.54% when compared to the previous year, due to Higher trade mark fee, service fees, dividend income and 1% transfer of shares in ZRAI. The Company netted a Profit After Tax (PAT) of ₹33.88 crores, which is 31.01% of the turnover for FY 2021-22 and this has resulted in Earnings per Share (EPS) of ₹24/- for FY 2021-22 as against an EPS of ₹1/- for previous Financial Year.

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

## 1.2. Appropriation

An amount of ₹106.16 crores of the profit is available for appropriation as at the end of FY 2021-22. The Board of Directors, taking into consideration, the operational performance and financial position of the Company, have recommended a dividend of 120% (i.e., ₹12/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 86<sup>th</sup> Annual General Meeting (AGM) scheduled to be held on June 29, 2022. The total dividend paid/payable on equity shares for FY 2021-22 would be ₹17.13 crores.

On declaration of the dividend by the shareholders, it will be paid on July 08, 2022 to all the eligible shareholders, whose name appears in the register of members of the Company as on June 22, 2022, being the Record Date fixed for this purpose, subject to deduction of tax at source where applicable. The total of dividend paid / payable for the FY 2021-22 would be ₹12/- per equity share of a face value of ₹10/- each. This represents a payout ratio of 51%.

Considering the above, the Board has retained ₹8.38 crores as surplus in the profit and loss account. A sum of ₹8.37 crores being 25% of profits has been proposed by the Board to transfer to reserves.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The policy is available on the Company's website: [https://ranegroup.com/rhl\\_investors/dividend-distribution-policy](https://ranegroup.com/rhl_investors/dividend-distribution-policy).

## 1.3. Credit rating

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

## 1.4. Share Capital

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

## 1.5. Management Discussion & Analysis

The main business of your Company is to hold strategic investment in subsidiaries and Joint Venture / Associate Companies (collectively called 'Rane Group') engaged in the manufacturing and marketing of components for the transportation industry and also provide services unique to Rane Group. A detailed analysis of the automotive industry, group companies' performance, internal control systems and risk management process etc. are presented in the 'Management Discussion & Analysis' report forming part of this annual report and are provided in 'Annexure A'.

## 1.6. Subsidiaries, Associate and Joint Venture Companies

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

## 1.7. Consolidated financial statements

The consolidated financial statements are prepared as per the following methodology specified under applicable accounting standards:

- Subsidiary companies - each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. Non-Controlling interests have been appropriately considered.
- Joint Venture / Associate companies - Share of profits based on the percentage of share held has been consolidated.

The consolidated financial statements of the Company are prepared based on the audited financial statement of the subsidiary companies and Joint Venture / Associate companies, for the year ended March 31, 2022. Except in the case of RHA1 & RHEG, Wholly Owned Subsidiaries, of whom the financial statements as certified by the management has been taken into consideration for the purpose of consolidation, as there is no requirement of audit under the jurisdictional laws of RHEG for the time being in force.

The salient features of financial statement of these subsidiary / joint venture / associate companies are provided in form AOC-1 forming part of this annual report in terms of the provisions of Section 129(3) of the Companies Act, 2013 ("Act"). The Company will make available a soft copy of the annual report and annual accounts of the subsidiary Companies to any

member on request of the same in accordance with the provisions of Section 136 of the Act. Further, the annual financial statements of the subsidiary Companies have been made available in the website of the Company at [www.ranegroup.com](http://www.ranegroup.com).

## 2. Board of Directors, Committees and Management

### 2.1. Composition

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

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

- Mr. Lakshman Lakshminarayan (DIN:00012554), Non-Executive Director, retired as per the retirement policy of the Company effective from the conclusion of the business hours on May 27, 2021. He has been associated with Rane group for over 5 decades and as Director for about 3 decades. He has been instrumental in steering the Rane Group during a very challenging and exciting phase in the automobile industry's evolution and transformation in India. The Board placed on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters.
- Mr. Rajeev Gupta (DIN:00241501) was appointed as an Independent Director by the shareholders at the 82<sup>nd</sup> AGM held on August 02, 2018 for a period of five consecutive years to hold office upto the 86<sup>th</sup> AGM. The NRC and the Board of Directors at their respective meeting(s) held on May 26, 2022 has considered and recommended the re-appointment of Mr. Rajeev Gupta as an Independent Director of the Company for a second term of five consecutive years from conclusion of the ensuing 86<sup>th</sup> AGM. The notice convening the 86<sup>th</sup> AGM seeks approval of the members for his re-appointment as an Independent Director through special resolution.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 86<sup>th</sup> AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company and available at the weblink: [https://ranegroup.com/rhl\\_investors/terms-conditions-appointment-id/](https://ranegroup.com/rhl_investors/terms-conditions-appointment-id/).

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2021-22 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

### 2.2. Retirement by rotation

Mr. Harish Lakshman (DIN:00012602) retires by rotation at the ensuing 86<sup>th</sup> Annual General Meeting (AGM) and being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 86<sup>th</sup> AGM.

### 2.3. Board and Committee meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The gap between any two consecutive meetings of the Board of Directors was less than 120 days. The details of Committee meetings are provided in the Corporate Governance report. For eligible matters, the Board / its Committees may also accord approvals through resolutions passed by circulation, between two meetings.

### 2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed that the current flow of information and contents were good to effectively perform their duties.

### 2.5. Board evaluation

An annual evaluation of the performance of the Board, functioning of its committees, individual Directors, executive director(s) and the Chairman of the Board was

carried out based on the criteria set by the Nomination and Remuneration Committee. A structured questionnaire was sent to all the Directors seeking qualitative inputs and detailed comments on various parameters as recommended by the Nomination and Remuneration Committee.

Board diversity and skill set to review strategies, risk management dimensions and processes, flow of information, adequacy and timeliness of agenda materials, effectiveness of presentations and more importantly the processes of reviewing strategic matters, annual operating plan and strategic business plans were the key focus areas for evaluation of the Board and its Committee functioning.

Engagement with stakeholders, versatility in facilitating discussions and approach towards ensuring implementation of board action points were the areas on which the Board of Directors evaluated the performance of the Chairman. Besides these, executive Directors were also evaluated on parameters like adequacy of focus in making the organisation future ready and contribution in terms of active engagement & connect with long term strategic values.

Individual Directors, including Independent Directors performance and contributions were evaluated through peer evaluation based on evaluation criteria determined by Nomination and Remuneration Committee. Contributions to Board decisions and discussions and attributes like staying up to date on recent trends, being aware of macro level developments and networking skills were the areas considered for framing the evaluation criteria of Directors besides commitment, competency and sectoral knowledge.

The Chairman after detailed consideration of all the feedbacks, comments and suggestions received from the Directors, discussed with the Board a proposed action plan on matters requiring attention of the Board which inter-alia includes matters relating to strategic business reviews, auto sector reviews, employee engagement like technological & industrial trends impacting the auto industry and group companies' businesses. The evaluation framework includes mechanism to share evaluation feedback on individual Directors to the Nomination and Remuneration Committee, wherever required.

## 2.6. Familiarisation program for Independent Directors

The details of familiarisation program for Independent Directors has been put up on the website and available at the weblink: [https://ranegroup.com/rhl\\_investors/familiarisation-programme-for-independent-directors/](https://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-directors/).

## 2.7. Key Managerial Personnel

During the year Mr. M A P Sridhar Kumar - Senior Vice President - Finance was appointed as Chief Financial Officer (CFO) of the Company with effect from February 01, 2022 in the place of Mr. J Ananth, Vice President- Finance, on account of transfer of services within Rane group.

As at year end March 31, 2022, Mr. L Ganesh, Chairman & Managing Director, Mr. Harish Lakshman, Vice-Chairman & Joint Managing Director, Mr. Siva Chandrasekaran, Secretary and Mr. M A P Sridhar Kumar, Chief Financial Officer hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Act.

## 2.8. Remuneration policy

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

The policy on appointment and remuneration of Directors, KMP and Senior Management Personnel (SMP) as laid down by the NRC of the Board is available at the web-link at [https://ranegroup.com/rhl\\_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/](https://ranegroup.com/rhl_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/). There has been no change in the policy during the FY 2021-22.

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

In addition, approval was also obtained from the shareholders in terms of Section 188(1) of the Act at the 85<sup>th</sup> AGM held on August 06, 2021, for payment of remuneration to Mr. L Lakshman, Chairman Emeritus, for an amount of ₹1.25 crores per annum for a term of 5 years.

The details of remuneration paid / payable to the Directors during the Financial Year 2021-22 is furnished in the Corporate Governance Report annexed to this report of the Board.

## 3. Audit and allied matters

### 3.1. Audit Committee

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

### 3.2. Statutory Auditor

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



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

BSR has not reported any matter under Section 143(12) of the Companies Act, 2013 requiring disclosure under Section 134(3) (ca) of the Companies Act, 2013. The Statutory Auditors report to the members for the year ended March 31, 2022 does not contain any qualification, reservation, adverse remark or disclaimer.

### 3.3. Cost Audit & Maintenance of cost records

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

### 3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, is the Secretarial Auditors of the Company as appointed by the Board of Directors in terms of Section 204 of the Act. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on May 26, 2022. The report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report') for FY 2021-22 issued by M/s. S Krishnamurthy & Co., the Secretarial Auditor of the Company, have confirmed compliance with securities law applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on May 26, 2022. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

### 3.5. Internal Auditor

M/s. Capri Assurance and Advisory Services a firm of independent assurance service professionals, continues to be the Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, ensure effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor reports directly to the Audit Committee. This Committee while reviewing their performance scope, functioning, periodicity and methodology for conducting the Internal Audit, has taken into consideration their confirmation to the effect that their infrastructure, viz., Internal

Audit structure, staffing and seniority of the officials proposed to be deployed etc. which are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

## 4. Directors' Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;
- 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;
- 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;
- they had prepared the financial statements for the financial year on a 'going concern' basis;
- 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
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 5. Related Party Transactions (RPTs)

All RPTs that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Company has not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., except for those disclosed in AOC-2 (Refer 'Annexure G') of this annual report. There are no materially significant RPT made by the Company with related parties which require approval of the shareholders / which have potential conflict with the interest of the Company at large.

All RPTs are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered in the ordinary course of business. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis.

The Company has put in place a proper system for

identification and monitoring of such transactions. Save as disclosed in this report none of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company. The policy on RPT as approved by the Board is uploaded on the Company's website at the web link: [https://ranegroup.com/rhl\\_investors/policy-on-related-party-transactions/](https://ranegroup.com/rhl_investors/policy-on-related-party-transactions/).

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions (except payment of remuneration / sitting fee, as applicable), where they have personal interest, which may have potential conflict with interest of the Company at large.

## 6. Corporate Social Responsibility (CSR)

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

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

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

During the year the Company has set off a sum of ₹51.61 Lakhs from the excess contribution made during the previous year towards CSR obligation for FY 2021- 22. Additionally an amount of ₹2.07 Lakhs was contributed towards CSR activities for the year. The **'Annexure C'** to this report contains the annual report on CSR activities of the Company for FY 2021-22. The CSR policy of the Company is posted on the website and is available at the web-link: [https://ranegroup.com/rhl\\_investors/corporate-social-responsibility-policy/](https://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/).

Further, in terms of the CSR Rules, the CFO has certified to CSR Committee that the funds disbursed for CSR have been used, for the purpose and in the manner approved by the Board for financial year 2021- 2022.

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

The Company is conscious of the imperative to protect the environment and the natural resources for achieving sustainable economic growth and have started several initiatives in this regard such as conservation of energy and water and eco-friendly waste management system. In view of the nature of activities of the Company, disclosure relating to technology absorption is not

applicable to the Company.

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

## Foreign Exchange earnings and outgo

(₹ in Crores)

Foreign Exchange	2021-22	2020-21
Earnings	7.33	2.63
Outgo	1.92	6.84

## 8. Corporate Governance Report

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

## 9. Business responsibility reporting

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for FY 2021-22 is provided in **'Annexure F'** to this report. The Company practices various business responsibility initiatives as per the Business Responsibility framework of the Rane Group. This framework is developed and steered at Rane group under the able leadership and guidance of Mr. L Ganesh, Chairman & Managing Director who is also responsible for the implementation of the Business Responsibility initiatives.

## 10. Particulars of Directors, KMP and employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, KMP and employees of the Company are provided as **'Annexure'** to this report.

## 11. Risk Management

In accordance with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from May 05, 2021, the Board has constituted a Risk Management Committee effective from June 01, 2021. The details of composition, scope and the meetings held during the year are provided as part of the Corporate Governance report.

The Company has in place a Risk Management Policy covering internal and external risks including information security, cyber security, Environmental, Social and Governance (ESG) related etc., measures for risk mitigation including systems and processes for internal control to identify risks associated with the Company and measures to mitigate such risks. The details of composition, scope and the meetings held during the year are provided as part of the Corporate Governance report are provided in **'Annexure E'** to this report.

## 12. Other disclosures

- a. The details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- b. The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Annual Report.
- c. There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d. The policies approved and adopted by the Board have been made available on the Corporate Governance section of the Investor page on the website of the Company [www.ranegroup.com](http://www.ranegroup.com).
- e. The copy of the Annual Return is available on the website of the Company at [www.ranegroup.com](http://www.ranegroup.com).
- f. The Company has complied with the applicable Secretarial Standards, viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India (ICSI) as per section 118(10) of the Act.
- g. The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the Corporate Governance section of this Annual Report.
- h. The Company does not accept any deposits falling under the provisions of section 73 of the Act and the rules framed thereunder.
- i. The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company. The policy which is also available on the intranet portal of the Company provides adequate safeguard against victimisation and has provided direct access to the Chairman of the Audit Committee for by the employees and state their complaints / grievances.
- j. The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination

mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH), comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under:

No. of complaints received during the financial year - Nil

No. of complaints disposed off during the financial year - Nil

No. of complaints pending as on end of the financial year - Nil

- k. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 02/2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars and SEBI Circular dated May 13, 2022 in this regard. The full Annual Report will be made available on the website of the Company and will also be disseminated to the stock exchanges where shares of the Company are listed. The electronic copies of the annual report and the notice convening the 86<sup>th</sup> AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

### l. Annual General Meeting

In view of the COVID-19 pandemic and in the interest all stakeholders, the 86<sup>th</sup> AGM would be conducted through video conferencing or other audio visual means on Wednesday, June 29, 2022 at 14:00 hrs (IST), as per the framework notified by Ministry of Corporate Affairs. The notice convening the 86<sup>th</sup> AGM shall contain detailed instructions and notes in this regard.

### Acknowledgement

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

For and on behalf of the Board

Chennai	Harish Lakshman	Ganesh Lakshminarayan
May 26, 2022	Vice-Chairman	Chairman
	DIN: 00012602	DIN: 00012583



## Annexure - A to Report of the Directors

# MANAGEMENT DISCUSSION AND ANALYSIS

## 1. Company Overview

Founded in 1929, Rane Holdings Limited, through its Group Companies is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is a preferred supplier to major OEMs in India and abroad. The group Companies, manufacture Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Light metal casting products and Connected mobility solutions. The products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Railways and Stationary Engines. With modern manufacturing facilities across 25 locations in India and one in the USA, Rane Group's products are sold over 30 countries.

## 2. Economic Review

### 2.1. Global Economy

The global economy is projected to have grown by 5.9% in 2021, the fastest rate recorded in over four decades, despite supply-chain-related disruptions to industrial production and slowdown in the second half of the year due to various restrictions imposed by respective governments globally amid resurgence of infections led by new COVID variants. Global trade rebounded at a fast pace despite shipping and logistics constraints and supply chain issues such as semiconductor scarcity. However, supply constraints due to global labour and input shortages combined with a rapid increase in global demand post lifting of lockdown restrictions led to higher price inflation. Global inflation shock especially in the United States and some emerging market economies has resulted in global monetary policy normalisation by central banks.

After a strong rebound in 2021, the global economy growth is expected to moderate to 4.4% in 2022 as central banks across the world start unwinding fiscal and monetary policy support enacted to combat the pandemic-driven downturn on the back of rising concerns over potential inflationary pressures. The world economy is caught between the pandemic, geopolitical conflict, rising inflation and policy tightening. The growth in the US economy is expected to moderate to 4.0% in 2022 on the back of policy tightening amid rise in inflation while growth in China is likely to ease to 4.8% in 2022 due to the lingering effects of the pandemic as well as additional regulatory tightening. Though resurgence in COVID infections could disrupt economic activity and derail growth prospects, however widespread deployment of vaccines is likely to prevent such outcome. Concerns due to new variants of COVID-19, ongoing geopolitical conflict between Russia and Ukraine, supply-chain bottlenecks, rising

inflationary pressures and elevated levels of debt could act as major headwinds to growth.

### 2.2. Indian Economy

After recovering from a historic contraction of 7.3% in the preceding year, India's economy is estimated to have grown by 9.0% in FY22 surpassing pre-pandemic level, mainly on account of improved performance, especially in farm, mining, manufacturing and construction sectors. Economic damage caused by the second wave was short-lived with output reaching pre-pandemic levels on the back of buoyant government spending and pick up in investments post lifting of restrictions. Key indicators such as power consumption, railway freight, GST collections, e-way bills, etc., continued to point towards pickup in economic activity. Moreover, trade growth rebounded strongly reflecting robust economic recovery. Growth was driven by strong exports and domestic private investment. However, the lingering impact of the pandemic continued to weigh on consumer confidence and led to muted consumption demand. Healthy tax collections have provided the much-needed fiscal space for government to ramp up spending and boost economic growth.

According to International Monetary Fund (IMF), the Indian economy is expected to grow at 8.2% in FY23 on the back of improving investment outlook, improvement in credit growth and increase in infrastructure investment. The growth outlook will also be supported by ongoing structural reforms, a better than-expected financial sector recovery and gradual pickup in contact-intensive services sector. The rapid vaccination drive across the country has ensured that the risk of future wave is minimised. Consumer confidence is expected to improve as the impact of the pandemic fades and businesses will accordingly ramp up spending to meet the demand thus fuelling economic growth. However, surge in infections due to new variants, geopolitical tension, rising inflation, high crude oil prices, etc., could dampen growth prospects.

## 3. Industry Review

### 3.1. Global Automobile Industry

Despite healthy demand, U.S. new-light vehicle sales rebounded slightly by 3.1% year over year to 14.9 million units, due to production cuts owing to global shortage of semiconductors. The semiconductor shortage hurt all automakers, but some were hit harder than others. In addition to chip shortage, the COVID pandemic and related supply-chain problems resulted in constrained new-car and truck inventory at dealerships amidst strong demand thus driving up the average new vehicle price compared to last year. As per National Automobile Dealers Association (NADA), Battery Electric Vehicles

(BEV) continued to gain market share, accounting for 2.9% of all new-vehicle sales in 2021 with automakers spending billions of dollars as they prepare themselves to manufacture electric vehicles. Chip shortage issue is expected to linger in 2022 as well. NADA expects the U.S. new-vehicle sales to increase by 3.4% to 15.4 million in 2022 on the back of low inventory.

According to European Automobile Manufacturers' Association (ACEA), the European new-car registrations fell by 2.4% to 9.7 million units in 2021 due to continuing shortage of semiconductors that negatively impacted car production throughout the year. Almost a fifth of new cars sold across European markets, including the UK, were plug-in electric vehicles on the back of generous government subsidies as well as strict regulations introduced in 2020 that forced EU manufacturers to sell more low-emissions vehicles. The auto volume is expected to pick up in 2022 as the industry gradually works through supply chain headwinds and ramps up production to satisfy the pent-up demand.

The global automotive industry continued to face challenges due to shortage of semiconductors and restrictions imposed due to emergence of new COVID-19 variants which further aggravated the supply chain issues. Amid the ongoing uncertainty of input shortages, carmakers have been moving to set up partnerships with various suppliers. Also, with electrification trend continuing to gain momentum, automakers have started to set up joint ventures with battery manufacturers to secure future supplies. Tightening emissions regulations and government incentives are likely to boost global EV sales. The global auto industry is likely to witness positive momentum in 2022 with further recovery in demand and gradual easing of supply chain challenges. Moreover, the mobility landscape continues to transform rapidly with new business models and autonomous, connected, electric, and shared mobility trends which will provide next leg of growth for the industry.

### 3.2. Indian Automobile Industry

Indian automobile industry which had been witnessing strong recovery on account of low interest rate regime coupled with pent up demand, faced temporary headwinds during the start of the fiscal year due to second wave of pandemic which dented consumer sentiment and resulted in temporary shutdown of dealerships. Disruption in supply chain due to localized restrictions and shortage of semiconductors had an adverse impact on production. However, the industry witnessed sharp recovery once the impact of the pandemic subsided and lockdown restrictions were eased. The supply side issues pertaining to chips shortage hampered production during the second half of the fiscal year.

The strong underlying demand fuelled by new launches and need for personal mobility post second COVID wave resulted in the Passenger Vehicle (PV) segment

growing at 19%. The growth was attributable to low base as well. Utility vehicle (UV) segment saw a huge uptrend led by launch of new models by key OEMs which resulted in growth of 43% whereas the Passenger Car (PC) segment volume grew by 4%.

Revival in demand in the infrastructure and construction sectors, improving fleet utilisation, freight availability/rates and better financing along with increasing demand for e-commerce & last-mile delivery post the second wave of COVID helped strong uptick in Commercial Vehicle (CV) segment with volumes increasing by 29%. The Medium and Heavy Commercial Vehicles (M&HCV) segment witnessed volume recovery and registered increase of 50% owing to improvement in fleet utilization levels led by strong demand in cement, mining and steel segments and improving fleet operators' profitability supported by higher freight income. Demand for M&HCVs also benefitted from the rise in construction activity, especially in the residential housing segment. The Light Commercial Vehicles (LCV) segment reported volume increase of 18% supported by e-commerce, agriculture, and FMCG segment. The Small Commercial Vehicles (SCV) segment reported volume growth of 24%.

Two-wheelers witnessed decline of 3% on account of continued weak demand due to higher impact of COVID second wave in the rural market coupled with higher fuel prices, BSVI / commodity-related price hikes, higher-than-normal inventory levels, and deferrals in the re-opening of offices/educational institutions and chips shortages impacting premium motorcycles. Farm tractors experienced marginal decline compared to the previous year on the back of delayed Kharif harvest due to erratic rainfall.

Industry Segment (Production figures)	Growth in % (YoY change)	
	FY22	FY21
Vehicles		
Passenger Cars (PC)	4	(18)
Utility Vehicles (UV)	43	4
Multi-Purpose Vans (MPV)	7	(18)
Passenger Vehicles (PV)	19	(11)
Small Commercial Vehicles (SCV)	24	(21)
Light Commercial Vehicles (LCV)	18	(12)
Medium & Heavy Commercial Vehicles (M&HCV)	50	(21)
Commercial Vehicles (CV)	29	(17)
Two Wheelers (2W)	(3)	(13)
Farm Tractors (FT)	(0)	24

Source: Society of Indian Automobile Manufacturers (SIAM)

### 3.3. Indian Automotive Aftermarket Industry

The Indian automotive aftermarket is expected to witness healthy growth in the coming years on the back of revival in demand after temporary hiccups due to the pandemic induced slowdown. The increasing use of improved technologies and electronic components is driving demand for aftermarket service towards organised multi-brand outlets and garages. Constantly evolving and improving vehicle technology offers enormous potential for financially strong organized players to make necessary investment and offer high quality genuine parts, competitive pricing, on-time delivery, etc. and capitalize on the growth opportunities. Growing focus on digitization of aftersales services in the automotive industry will enable faster response to buyers' / market demands and will provide additional growth lever to the aftermarket.

### 3.4. Indian Auto Component Industry

Despite slow off-take in auto volumes due to ongoing shortage of semiconductors, persistent inflationary trend in commodity prices, rising logistics costs and availability of containers, the auto component demonstrated remarkable resilience due to increased value addition to meet regulatory compliance, strong exports, and traction in the domestic aftermarkets. Fast-paced developments in the mobility space due to increasing trend of connected, autonomous, shared, and electrified mobility is likely to further push industry growth momentum. Moreover, due to ongoing geopolitical risks, auto component makers are in the process of de-risking the supply chain through deep localisation and started processing more parts within the country, holding larger inventories, creating buffer stocks and entering into long-term contracts.

The PLI scheme will further incentivize investments in new-age automotive technologies such as automatic transmission assembly, sensors, ADAS, among others. The scheme will encourage component players to invest in cleaner technologies, increase R&D spend and enhance industry competitiveness globally. Resolution of supply side issues and increased focus by the auto industry on deep-localisation and the recent announcements of PLI schemes by the Government will help in creating state-of-the-art automotive value chain thereby increasing the industry's global competitiveness and establishing India as a global hub for auto component sourcing.

## 4. Business Review

### 4.1. Rane Holdings Limited (RHL)

#### Operational Highlights

- The Group Companies registered a sale of ₹5,313 crores.

- Continued to engage in various lean measures to improve productivity.
- Implemented strategic savings initiatives on power, sourcing etc., at the group level.
- RHL increased its shareholding in three of its subsidiaries, viz., Rane (Madras) Limited (RML), Rane t4u Private Limited (Rt4u) and Rane Brake Lining Limited (RBL).

#### Financial Highlights

##### Standalone Financial Highlights

- Total revenue was ₹109.24 crores for FY22 as compared to ₹65.99 crores in FY21, an increase of 65.54%.
- Operating revenue increased from ₹65.08 crores in FY21 to ₹88.80 crores in FY22 due to higher dividend income, Service fee and trademark fee from Group Companies.
- Other income increased from ₹0.91 crores in FY21 to ₹20.44 crores in FY22. There was a one-off income of ₹19.70 crores during current year FY22 on account of transfer of 1% shareholding in ZF Rane Automotive India Private Limited (formerly known as Rane TRW Steering Systems Private Limited).
- EBITDA stood at ₹74.46 crores as compared to ₹36.70 crores during FY21, an increase of 102.89%.
- Net profit (PAT) stood at ₹33.88 crores for FY22 as compared to ₹1.36 crores in FY21.

An impairment provision of ₹17.81 crores has been made on account of investment in a subsidiary, Rane t4u.

##### Consolidated Financial Highlights

- Total Revenue was ₹2,714.66 crores for FY22 as compared to ₹2,057.02 crores in FY21, an increase of 31.97%.
- EBITDA stood at ₹203.07 crores for FY22 as compared to ₹133.84 crores during FY21, recording an increase of 51.72%.
- Net profit stood at ₹35.06 crores for FY22 as compared to a loss of ₹60.35 crores for FY21.

##### Standalone

Sl. No.	Ratios	March 31, 2022	March 31, 2021	Reason for change in FY 22
1	Debtors Turnover (turns)	10.87	6.19	Improvement is on account of higher collections from Debtors

Sl. No.	Ratios	March 31, 2022	March 31, 2021	Reason for change in FY 22
2	Current Ratio	0.37	1.12	Decline is on account of liquidation of current assets for funding investments in subsidiaries
3	Operating Profit Margin (%)	80%	52%	The profitability ratios improved on account of divestment activities
4	Net Profit Margin (%)	38%	2%	
5	Return on Networth (%)	7%	0%	

#### Consolidated

Sl. No.	Ratios	March 31, 2022	March 31, 2021	Reason for change in FY 22
1	Interest Coverage ratio (turns)	1.96	(0.35)	The improvement is on account of increase in consolidated sales volume which resulted in higher profitability through better absorption of overheads
2	Operating Profit Margin (%)	2.50%	(0.68)%	
3	Net Profit Margin (%)	1.31%	(2.97)%	
4	Return on Networth (%)	4.58%	(7.61)%	

## 4.2. Subsidiary Companies

### 4.2.1. Rane (Madras) Limited (RML)

#### Operational Highlights

#### Rane (Madras) Limited (RML)

- There was significant inflation across all commodities and the company was able to manage this through back to back recovery from all major customers and also through various cost saving initiatives across all products.
- The Steering & Linkages division achieved their highest ever sales during the year. This was achieved through optimised capacity utilisation across all plants.
- RML also acquired a company, M/s. Yagachi Technologies Private Limited, manufacturers of Inner and Outer Ball joints. This facility is located in Maraimalai Nagar near Chennai supplying to a single customer, M/s. Mando Automotive India Limited.
- Won the following awards from customers:
  - NPD Award from AL Defence.
  - Zero PPM Quality award from DICV.

- Exceptional Support and appreciation from ITL.
- Best Quality performance award from TML Spare Parts Division.
- Steering & Linkages division also was awarded the "Great Place to Work" for a consecutive fourth year.

- In the Light Metal Casting business, significant focus was placed on operational improvement in the areas of manufacturing process, which resulted in reduction of internal rejections and thereby savings in cost. Specific initiatives were executed to improve the availability of the machines and cycle time reduction in Casting to improve productivity. These initiatives helped to improve the OEE enhancement of Diecasting machines and thereby improving the capacity.

- Light Metal Casting business in India has further strengthened its customer portfolio which has improved its capacity utilization and revenue growth.

#### Rane Light Metal Castings Inc.

The U.S. subsidiary, Rane Light Metal Castings Inc. (LMCA) has been able to sustain operational performance with continuation of TQM practices. Positive results have been achieved in the areas of improved customer deliveries, quality and zero expedited freight cost. Improvement initiatives in tooling and consumable cost helped sustenance of cost metrics.

LMCA continued to face challenges in the global supply chain shortage leading to deferment in launch of key new businesses. This also had an impact in lower off take from existing customers resulting in unfavourable product mix impacting the profitability, given that a major portion of labour and salary cost are fixed in nature.

The focus for FY 2022-23 will be to secure new businesses that can ensure the long term sustainability of the Company.

#### Financial Highlights

#### Standalone Financial Highlights

- Total revenue was ₹1561.79 crores for FY22 as compared to ₹1151.05 crores for FY21, an increase of 35.68%.
  - 33.90% growth in the Indian market - Experienced volume increase across segments.
  - 26.71% growth in the Aftermarket business.
  - 47.47% growth in the exports market due to increase in sales in steering and linkage products.
- EBITDA stood ₹133.63 crores as compared to ₹93.22 crores during FY21, an increase of 43.34%.

- Net profit stood at ₹36.61 crores for FY22 as compared to a loss of ₹50.69 crores for FY21.

#### Consolidated Financial Highlights

- Total revenue was ₹1,747.64 crores for FY22 as compared to ₹1,274.26 crores for FY21, an increase of 37.15 %.
- EBITDA stood at ₹79.47 crores as compared to ₹37.69 crores during FY21, an increase of 110.9%.
- Net profit stood at ₹10.66 crores for FY22 as compared to Net loss of ₹61.14 crores for FY21.

#### 4.2.2. Rane Engine Valve Limited (REVL)

##### Operational Highlights

- To mitigate EV related risk, Non-Auto segment grew by 42%.
- Company received Customer Awards from Hyundai, Daimler, John Deere and IPD.

##### Financial Highlights

- Total revenue was ₹382.06 crores for FY22 as compared to ₹301.85 crores for FY21, recording an increase of 27%.
- Sales to Domestic OE customers grew by 18% due to improved demand across all segments despite industry headwinds.
- Sales to Domestic Aftermarket segment grew by 46%.
- In the Exports market, OEM sales grew by 34% due to increase in off take by OEM customers. Export aftermarket sales grew by 44% due to increase in demand from major customers in Europe & USA.
- EBITDA stood at ₹16.43 crores as compared to ₹(0.74) crores during FY21.
- Net loss stood at ₹11.86 crores for FY22 as compared to ₹6.09 crores in FY21. Last year had an exceptional income from disinvestment of land not in use.

#### 4.2.3. Rane Brake Lining Limited (RBL)

##### Operational Highlights

- Installation of Robotic Preform Operations for Passenger Car Brake Linings.
- Implemented Auto Measurement System for Two Wheeler Disc Pads.
- Capacity enhancement through various automation projects at Puducherry and Trichy Plants.
- Implemented various productivity improvement projects resulting in cost optimization and enhanced assets utilization.
- Great Place to Work certified company for a consecutive period of sixth year.

#### Financial Highlights

- Total revenue was ₹505.55 crores for FY22 as compared ₹423.88 crores for FY21 recording an increase of 19.27%.
- Domestic OE sales registered a 29% increase. The market drop was partially mitigated through volume enhancement in Two Wheeler segment.
- The Aftermarket business increased by 7%.
- EBITDA stood at ₹56.77 crores as compared to ₹71.61 crores during FY21, witnessing a decrease by 20.72%.
- Net profit (PAT) stood at ₹27.07 crores for FY22 as compared to ₹31.80 crores for FY21.

#### 4.2.4. Rane t4u Private Limited (Rt4u)

##### Industry performance FY 2021-22

Logistics / Transportation is the lifeline of the modern economy. India is taking huge steps in streamlining this sector. The road sector in India which is a critical part of Logistics / Transportation is attracting huge investments apart from EV vehicle eco-system being promoted by all state & central governments. The emphasis on efficient and cost-effective mobility solutions for people both in urban and semi urban areas is increasing.

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

##### Operational Highlights

Company Business negatively impacted in FY21-22 particularly in Logistics segment as there was no opportunity to replace one-time Service Revenue from accounts like DHL. JSMD Sand mining Project scale up got further delayed as new government and Sand block lease award got delayed. Karnataka Sand saw reduction in Revenue as mining activity went down significantly due to lock down and delayed environment clearance in some districts. Good entry into Electric Vehicle Battery IOT business in Q4 directly from OEM and Good pipeline of EV OEM engagement.

##### Operational and Financial Performance

- Services Revenue decreased to ₹7.16 Crores in FY 2021-22 from ₹9.80 Crores in FY 2020-21.
- Revenue from Sale of Products increased to ₹1.55 Crores in FY 2021-22 from ₹1 Crore in FY 2020 -21.
- PBT Loss decreased to ₹5.04 Crores in FY 2021-22 from ₹6.31 Crores in FY 2020-21.

##### Industry Outlook for FY 2022-23

With Regional Sales penetration and added new partners resulting in touch points to small & medium fleet owners and added new customers, we expect decent run rate business in FY22-23 as we also roll out new Mobile App and Fuel sensors solutions.



### 4.3. Joint Venture / Associate Companies

#### 4.3.1. ZF Rane Automotive India Private Limited

[Formerly known as Rane TRW Steering Systems Private Limited (RTSS)]

##### Operational Highlights

- With various productivity measures and flexibility improvement, Company realised highest ever dispatch and sales of worm & roller gears and Pump in March 22.
- Pant Nagar plant continued to leverage the locational advantage with increased numbers to Jamshedpur / Lucknow.
- VA / VE was re-energised for BS VI products in spite of RM scarcity and price increase.
- Construction of Inflator plant commenced during the year.
- First program with Seven airbags commenced production for Mahindra.
- One EV program launched in 21-22 and further 6 EV programs are under development for both seat belts and Airbags.

##### Financial Highlights

- Total revenue was ₹1,344.94 crores for FY22 as compared to ₹1,038.86 crores for FY21, recording an increase of 29.46%.
- EBITDA stood at ₹121 crores as compared to ₹87.19 crores during FY21, recording an increase of 38.78%.
- Net profit (PAT) stood at ₹49.39 crores for FY22 as compared to ₹24.95 crores for FY21.

#### 4.3.2. Rane NSK Steering Systems Private Limited (RNSS)

##### Operational Highlights

- Achieved the highest product sales of ₹1401.88 crores.
- Start of Production of New Products and stabilisation during the year.
- Awarded the ACMA Silver Award for New Product Development - Category, Ashok Leyland On Time Delivery Performance & Tata Motors Quality Performance Category.

##### Financial Highlights

- Total revenue was ₹1,435.52 crores for FY22 as compared to ₹1,076.49 crores for FY21, recording an increase of 33.35%.
- EBITDA stood at ₹125.16 crores as compared to ₹108.25 crores during FY21, witnessing an increase of 15.62%.

- Profit before exceptional items stood at ₹61.91 crores as compared to ₹54.74 crores during FY21 witnessing an increase of 13.10%.
- Net Loss stood at ₹65.04 crores for FY22 as compared to Net loss of ₹81.26 crores for FY21. This includes an Exceptional expense towards estimated warranty provision of ₹161.60 crores in FY22 as against ₹177.10 crores in FY21.

##### Warranty Provision

RNSS has implemented measures so as to reduce the per unit return cost. The Warranty returns pertaining to the period prior to the countermeasures continue to be high and despite RNSS implementing measures to reduce the per unit return cost, an incremental provision of ₹161.60 crores provided in FY 2021-22 as warranty expenses for certain lots of products sold to a customer in the past. The provisions are made based on technical estimates, considering the production periods and the timing of the various countermeasures implemented. While there is a significant reduction in returned products beyond the implemented countermeasures, still residual returns exist in the market on account of this phenomena. RNSS along with its JV partner is in continuous discussions with the Customer to mitigate the risk arising out of such residual returns.

### 4.4. Opportunities and Threats

The Indian automotive industry is set for robust growth and return to pre-pandemic level of volume. Large scale digitization and advance analytics have enabled huge productivity improvement while technological innovations continue to transform the mobility landscape and present immense opportunities for the Indian automakers to take cognizance and gain competitive edge globally. The growth of shared, connected, and electric mobility presents immense opportunity for the industry and the transforming E-mobility ecosystem would require participation and collaboration across diverse stakeholder groups. Further, push for green mobility in the Budget with focus on battery swapping and charging infrastructure is likely to expedite EV adoption and give rise to new era of growth and open immense opportunities for the existing and new players in the industry.

Although, the industry continues to be on growth trajectory, supply side issues related to semiconductor shortage, increase in raw material costs, high oil prices and resurgence of infections could pose headwinds for the industry in the short term. Moreover, prolonged Russia-Ukraine conflict could aggravate the semiconductor shortage issues thereby impacting production volume. Nevertheless, the Indian automotive industry remains exceptionally resilient and is on course to become the integrated manufacturing hub for automotive global supply chains on the back of supportive policies such as the Production - Linked Incentive (PLI) scheme, etc.

#### 4.5. Outlook

The Indian automotive industry is back on strong footing and on course to reach the pre-pandemic level of sales on the back of buoyant demand. Despite challenges due to increase in commodity prices and supply chain issue resulting in shortage of semiconductor, the industry remains upbeat and continue to invest in new technologies as it prepares to cross the pre-pandemic levels of sales volume. Supportive government policies such as the extension of FAME-II scheme till 2024, PLI scheme for the auto and auto component and advanced chemistry cell bodes well for the industry.

#### 5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks,

financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with a risk mitigation plan to the Board of Directors on a half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The risks from extreme events are monitored as a part of a process across locations. The overall re-assessment of risks at the Company level is carried out and presented to the Board of Directors once in two years for their review.

	Risk	Nature of Risk	Risk Mitigation Strategies
Strategic	Industry / Market Risk	78% of revenue is derived from the Indian automotive sector. Hence, any drop in vehicle production will have a significant impact on the Company's business.	The Company constantly strives to: <ul style="list-style-type: none"> <li>(a) Increase revenue from international markets (outside of India).</li> <li>(b) Add new products to increase organic revenue and diversify customers across vehicle segments.</li> <li>(c) Improve presence in the Aftermarket segment, which presents an opportunity to compensate for any drop in the OE segment.</li> </ul>
	Technology Obsolescence Risk	Auto industry and customer preference undergo changes, resulting in technology obsolescence.	The Company has consistently delivered cutting-edge technology products with enhanced R&D capabilities, localisation of testing and validation capabilities. Proactive engagement with customers at an early stage helps the Company to capture and work on the new technology development.
	Competition	Maintaining market share in the competitive market and availability of unorganised players pose further challenges.	The Company's long-standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer surveys to understand customer feedback and work in furthering its relationship with the customers.
Operational	Quality / Processes	Quality and delivery are sacrosanct for the safety-critical products supplied by the Group.	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help the Company mitigate quality and delivery risks.
	People Risk	Attrition of key personnel could impact business operations and growth.	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports in building functional capabilities and developing a strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin.	The Company constantly strives to mitigate the input cost increases by: <ul style="list-style-type: none"> <li>(a) Implementing a procurement function that will work on cost-reduction initiatives through alternate sourcing, localisation, etc.</li> <li>(b) Negotiating and passing through input cost, which increases suitably to the customers.</li> <li>(c) Working on process improvements, yield improvements, etc.</li> </ul>



	Risk	Nature of Risk	Risk Mitigation Strategies
Financial	Currency Risk	The Company is exposed to foreign currency exchange risk as it exports our products to various countries and import raw materials.	The Company uses a multi-pronged approach as suitable to the scenarios. This approach includes: (a) Optimally balancing the import and export to create natural hedge. (b) Working with customer-to-index prices to mitigate currency fluctuations. (c) Taking simple forwards on a rolling basis to protect its export realisation.
	Interest Rate Risk	Use of borrowings to fund expansion exposes the Company to interest rate risk.	The Company manages interest rate risk on the following basis: (a) Maintaining optimal debt-equity levels. (b) Using internal accruals to fund expansion. (c) Constantly optimizing working capital to reduce interest costs.

## 6. Human Resource Development and Industrial Relations

### 6.1. Talent Development Initiatives

In FY 2021-22, the Company focused on the following talent development initiatives:

#### Leadership Development

High Potential Leadership Development program focusses on enhancing leadership capability of high potential talent at middle management level to enable them transition to leadership roles. 3 participants began their learning journey during the year wherein they were a part of a two day in-person assessment and development centre for measuring their competence against the business competencies that culminated into crafting their individual development plans to help them develop competencies to succeed in their work. Developmental inputs focussed on Rane leadership competencies such as intrapreneurship, build leadership that will facilitate career transitions to leadership roles.

#### Managerial & Technical Competency Development

Rane Institute for Employee Development (RIED), our leadership development centre, acts as a key enabler in our journey towards pursuing business excellence through its vision of building core competencies for individual and business excellence. In FY 2021-22, 11 programs focusing on technical, general management and soft skills was organized by RIED. The company achieved 32 training man-days covering 20 employees.

#### Fight against COVID

As part of Rane Group's initiatives to tackle COVID-19, social distancing norms were continuously practiced and awareness of good hygiene practices was emphasized. Wellness webinars on COVID measures, meditation practices etc. were conducted across companies. Vaccination awareness programs and drives were conducted at plant locations encouraging employees and their family members to get vaccinated.

### 6.2. Digital Initiatives

**Learning Management System (LMS)** - To ensure employees have adequate knowledge of the policies that are part of the governance & vigil mechanism and other key policies, e-learning modules were rolled out through our LMS during the year. These include Rane Compass - Rane's Policy on Ethical Standards of Behaviour, including policies on gifts and vendor relationship, Whistle Blower policy, policy on Prevention of Sexual Harassment of Women at Workplace, Prohibition of Insider Trading and Information Security Management System. These e-learning policies act as a refresher for existing employees and a learning for new joiners.

**One-hour learning** - As part of providing tailored content to employees at their fingertips, access to micro learning modules on "Stress Management" was provided to our employees. This gave them access to micro content designed by subject matter experts.

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

### 6.3. Industrial Relations

The Industrial Relations were generally cordial in all the plants.

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

## 7. Information Technology (IT)

Rane Data Centre (RDC) provides service delivery of IT infrastructure, application development and information

security across Rane Group companies. During the year, as a part of SAP S4 HANA migration journey, the project was kicked off in May 2021. The conversion process has been carried out with 2 mock drills (Conversion of ECC Production system to S4 QAS) to ensure that all issues are being addressed before actual production conversion. Access to the old archived data from SAP S4 Hana was also enabled. Overall the migration to this upgraded platform provides the scalability for taking up future projects.

To comply with the customer and regulatory requirements, RDC's continued engagement with group companies led to identifying and implementing projects in the operational areas that enhance efficiency levels on key processes. Necessary support to enable work from home during pandemic was done by implementing Remote Desktop Sharing tool. SD WAN project was initiated to upgrade the network backbone and thereby enabling businesses to use a combination of internet links.

As part of Industry 4.0 initiatives, the Centralized Overall Equipment Efficiency solution has been successfully completed by connecting a few plants machines to the centralized systems and the same shall be rolled out in other plants. Further, as part of digital factory initiatives, an end to end digital factory solution for RBL & RNSS implementation is in progress.

The Information Security Management System has been strengthened by implementing additional controls (Moving of content filtering to cloud, Next generation antivirus) & implemented required security measures to support work from home during the pandemic, also both Internal and External audits including training of Information Security Management (ISO 27001) were conducted remotely. RDC also recertified 4<sup>th</sup> time for ISO 27001. TISAX implementation is taken up in two plants initially and planned to roll out to other plants progressively based on business requirements.

## 8. Corporate Social Responsibility (CSR)

Rane Foundation, a public charitable trust founded in the year 1967, is the lead for implementing Rane Group's CSR initiatives. The Company's CSR vision is '**to be a socially and environmentally responsible corporate citizen**'. The Company continues to focus on four thrust areas for its CSR activities - Education, Healthcare, Environment and Community Development. In FY 2021-22, the Group implemented several projects by primarily focusing on Education and Healthcare.

Rane Group companies contribute to various sustainability initiatives to improve the quality of life for the local communities. All the 27 manufacturing plants maintain the highest standards in continuously reducing industrial waste and pollutants. The company employees volunteer their time, management expertise and execution skills to help make life better for the society.

## Education:

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its eleventh academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. Over the last few batches, 1700 students have completed their diploma program, and 175 students will complete the program in the academic year 2021-22. 100% of the students who opted for placements were placed through campus interviews.

The Rane Vidyalaya, established at Trichy in the year 2018 under the aegis of Rane Foundation has stepped into its fourth academic year. Rane Vidyalaya was recognized by Directorate of School Education, Tamil Nadu in 2018 and is affiliated to the Central Board of Secondary Education, New Delhi. In 2021-22, it reached a student strength of 459 in its fourth year of operations, operating from LKG to VII standard proving the need for a quality school in rural area.

## Healthcare:

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

## 9. Internal Control Systems

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

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

## 10. Cautionary statement

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

Annexure B to the Report of the Board of Directors

# SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2022

## 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, read with Regulation 24A(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

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

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE HOLDINGS LIMITED** ('the Company') during the financial year from April 1, 2021 to March 31, 2022 ('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 in electronic mode through file sharing mechanism, forms and returns filed with statutory / regulatory authorities, and compliance related actions taken by the Company, during the year as well as after March 31, 2022, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain labor related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on March 31, 2022, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with

our letter of even date annexed to this report as **Annexure - A.**

### 1. Compliance with specific statutory provisions

#### We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
  - (i) The Companies Act, 2013, and the rules made thereunder.
  - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
  - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
  - (iv) The Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment Overseas Direct Investment ('FEMA').
  - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'); and
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements'), in relation to listing of Equity shares of the Company.
  - (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2022, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) The Company has complied with the applicable provisions of the Act, Rules and Regulations mentioned in paragraph 1.1 (i) to (iv) above.
- (ii) The Company has complied with the applicable provisions of the SEBI Regulations and Agreements, mentioned in paragraph 1.1 (v) and (vi) above.
- (iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) (to the extent applicable to Board meetings), and Secretarial Standards on 'General Meetings' (SS-2) (to the extent applicable to General meetings), mentioned in paragraph 1.1 above. Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors', being non-mandatory, have not been adopted by the Company.

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

- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, Minute books or other records or file any forms or returns under:
  - (a) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of External Commercial Borrowings;
  - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, which were replaced by the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, with effect from 16<sup>th</sup> August 2021;
  - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, which was replaced by the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 with effect from 10<sup>th</sup> June 2021;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, and the Securities and Exchange Board

of India (Issue of Sweat Equity) Regulations, 2002, which were replaced by the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, with effect from 13<sup>th</sup> August 2021; and

- (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
- (g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

## 2. Board processes

We further report that:

### 2.1 Board constitution and balance

- (i) The constitution of the Board of directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR.
- (ii) As on March 31, 2022, the Board of Directors of the Company comprises of:
  - (a) 2 (two) Executive Directors; and
  - (b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The processes relating to the following changes in the composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:
  - (a) Retirement of Mr. L Lakshman (DIN: 00012554), Non-Executive Director, as a Director, with effect from closure of business hours on May 27, 2021.
  - (b) Re-appointment of Mr. L Ganesh (DIN: 00012583) as a Director, upon retirement by rotation at the 85<sup>th</sup> Annual General Meeting (AGM) held on August 6, 2021.

### 2.2 Board meetings

- (i) Adequate notice was given to all the directors to enable them to plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or

at the Board meetings, with the requisite consent from the Board of directors as required under SS-1:

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

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

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

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

### 3. Compliance mechanism

We further report that:

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

### 4. Specific events / actions

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

#### (A) Investment in Rane (Madras) Limited

Rane Holdings Limited (RHL) acquired an aggregate of 16,99,958 Equity shares, fully paid-up (8,49,979 Equity shares each on August 12, 2021, and January 11, 2022), in Rane (Madras) Limited (RML), subsidiary company, pursuant to exercise of equivalent number of warrants (issued to RHL on January 29, 2021 on preferential basis), and payment of the warrant exercise price of ₹176.475/- per warrant (being the balance 75% of the issue price of ₹235.30/- per equity share) aggregating to ₹30 Crores. Post-acquisition, the shareholding of RHL in RML increased from 99,72,816 Equity shares (68.47%) to 1,16,72,774 Equity shares (71.77%) of ₹10/- each, fully paid-up.

#### (B) Investment in Rane Engine Valve Limited

The Finance Committee of the Board of Directors of Rane Holdings Limited (RHL), at their meeting held on January 25, 2022, approved further

investment in Rane Engine Valve Limited (REVL), subsidiary company, upto ₹15 Crores, by way of subscription to Equity shares and/or convertible securities (warrants) of REVL.

Accordingly, RHL acquired 5,15,463 warrants (convertible into equivalent number of Equity shares) pursuant to preferential issue and allotment of warrants made by REVL on March 8, 2022, upon payment of the warrant subscription price of ₹72.75/- per warrant (being 25% of the issue price of ₹291/- per Equity share), aggregating to ₹3,74,99,933.25/-.

The warrants are convertible into equivalent number of Equity shares of REVL, fully paid-up, within 18 (eighteen) months from the date of allotment, upon application by RHL and payment by RHL of the warrant exercise price of ₹218.25/- per warrant (being the balance 75% of the issue price of ₹291/- per Equity share).

There is no change in the shareholding of RHL in REVL consequent to this allotment. RHL holds 36,83,054 Equity shares of ₹10/- each (54.82%) in the share capital of REVL, as on March 31, 2022.

#### (C) Investment in Rane Brake Lining Limited

Rane Holdings Limited (RHL) acquired 1,80,000 Equity shares of ₹10/- each, fully paid-up, in Rane Brake Lining Limited (RBL), subsidiary company, through open market purchase on the stock exchanges, on March 14, 2022 and March 15, 2022, at an aggregate cost of ₹11.25 Crores (approx). Consequent to this acquisition, the shareholding of RHL in RBL increased from 36,87,440 Equity shares (47.70%) to 38,67,440 Equity shares (50.03%) of ₹10/- each, fully paid-up, as on March 15, 2022. Further, RBL which was hitherto a Board controlled subsidiary of RHL under Section 2(87)(i) of the Companies Act, 2013 (the Act), also became a subsidiary in which RHL holds more than 50% of the total voting share capital, in terms of Section 2(87)(ii) of the Act, effective from March 15, 2022.

#### (D) Divestment in ZF Rane Automotive India Private Limited

The Board of Directors of Rane Holdings Limited (RHL), at their meeting held on December 29, 2021, approved the divestment of 87,383 Equity shares of ₹10/- each, fully paid-up, representing 1% of the total share capital of Rane TRW Steering Systems Private Limited (RTSS), Joint Venture company, to ZF Automotive J.V. US LLC (ZF), the other joint venture partner, for a consideration of ₹20.16 Crores (approx). Accordingly, 87,383 Equity shares of RTSS were transferred by RHL to ZF on December 30, 2021. Consequent to this divestment, the shareholding of RHL in RTSS reduced from 43,69,123 (50%) to 42,81,740 (49%)



and RTSS became a subsidiary of ZF. The name of RTSS was changed to ZF Rane Automotive India Private Limited, effective from March 4, 2022.

**(E) Investment in Rane t4u Private Limited**

Rane Holdings Limited (RHL) acquired an aggregate of 2,45,574 Equity shares of ₹10/- each, fully paid-up, in Rane t4u Private Limited (Rane t4u), subsidiary company, through exercise of call option on June 9, 2021, for purchase of equity shares from the other existing shareholders of Rane t4u, for an aggregate consideration of ₹14.24 lakhs (approx) (₹5.80/- per Equity share). RHL further acquired an aggregate of 1,63,36,600 Equity shares of ₹10/- each, fully paid-up, in Rane t4u, by subscription to its rights issue of 83,35,000 Equity shares on September 29, 2021, and 80,01,600 Equity shares on March 11, 2022, at par, for an aggregate amount of ₹1,633.66 lakhs. Consequent to these acquisitions, the shareholding of RHL in Rane t4u increased from 11,67,000 Equity shares (70.01%) to 1,77,49,174 Equity shares (98.59%), of ₹10/-

each, fully paid-up (including 80 shares held by nominees of RHL).

**(F) Investment in AutoTech Fund I, LP**

Rane Holdings Limited (RHL) made further investment of USD 225,000 [INR equivalent: ₹168 lakhs (approx)] during the year, in AutoTech Fund I, LP (AutoTech), an overseas technology fund, towards share of capital contribution as one of the Limited Partners in the Fund, and received USD 742,500 [INR equivalent: ₹552 lakhs (approx)] from AutoTech towards its share of distribution of capital arising as a result of sale of investments held by AutoTech in sum of the portfolio companies.

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

**K Sriram**  
Partner

Place: Chennai  
Date: May 26, 2022

Membership No.: F6312  
Certificate of Practice No.: 2215  
UDIN: F006312D000394315

**Annexure - A to Secretarial Audit Report of even date**

To the Members of  
**Rane Holdings Limited**  
[CIN L35999TN1936PLC002202]  
"Maithri", No.132, Cathedral Road,  
Chennai - 600 086.

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2022, is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance processes and procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:
  - (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law, wherever there was scope for multiple interpretations.
  - (b) Compliance related action taken by the Company after March 31, 2022, but before the issue of this report; and
  - (c) Notifications / Circulars issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, and Guidelines issued by the Institute of Company Secretaries, in respect of various compliance related events as stated therein.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
7. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

**K Sriram**  
Partner

Membership No.: F6312  
Certificate of Practice No.: 2215  
UDIN: F006312D000394315

Place: Chennai  
Date: May 26, 2022



Annexure - C to the Report of the Board of Directors

## ANNUAL REPORT ON CSR ACTIVITIES

for the Financial Year 2021 - 22

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

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

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

- (a) Education;
- (b) Health Care;
- (c) Environment; and
- (d) Community Development.

#### Overview of projects implemented during FY 2021-22

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focuses on Education and Healthcare during the FY 2021-22.

#### Education

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its eleventh academic year. The institution was

accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. Over the last few batches, 1700 students have completed their diploma program, and 175 students will complete the program in the academic year 2021-22. 100% of the students who opted for placements were placed through campus interviews.

The Rane Vidyalaya, established at Trichy in the year 2018 under the aegis of Rane Foundation has stepped into its fourth academic year. Rane Vidyalaya was recognized by Directorate of School Education, Tamil Nadu in 2018 and is affiliated to the Central Board of Secondary Education, New Delhi. In 2021-22, it reached a student strength of 459 in its fourth year of operations, operating from LKG to VII standard proving the need for a quality school in rural area.

#### Healthcare:

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

### 2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure headed by the Board CSR Committee. The 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:

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

#### Note:

- Mr. L Lakshman ceased to be a Chairman & Member w.e.f. May 27, 2021. He attended one CSR Committee meeting held on May 27, 2021.
- Mr. L Ganesh was designated as the chairman of the Committee w.e.f May 27, 2021.
- Mr. Harish Lakshman was inducted as Member w.e.f. May 27, 2021.

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

Members	Designation
Mr. R Venkatanarayanan	President - Corporate Services
Mr. M A P Sridhar Kumar	Senior Vice President - Finance & CFO

3. Web-links on the website of the company:

- (a) Composition of CSR Committee: <https://ranegroup.com/rane-holdings-limited-investors/>
- (b) CSR Policy and CSR projects approved by the Board: <https://ranegroup.com/rhlinvestors/corporate-social-responsibility-policy/>

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹)	Amount required to be set-off for the financial year, if any (₹)
1.	2018-2019	NIL	NIL
2.	2019-2020	NIL	NIL
3.	2020-2021	55,19,000/-	51,61,202/-

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

Particulars	2018-2019	2019-2020	2020-21
Net profit for the year (PAT)	76,36,33,093/-	50,82,29,771/-	1,35,65,167/-
Adjusted Net profit (as per Section 198)	29,96,37,202/-	23,98,38,024/-	23,47,05,060/-
Average Net profit	25,80,60,096/-		

- (a) Two percent of average net profit of the company as per section 135(5) - ₹51,61,202/-
- (b) Surplus arising out of CSR projects/programmes/activities of the previous financial years - Nil
- (c) Amount required to be set off for the financial year - ₹51,61,202/-
- (d) Total CSR obligation for the financial year (7a+7b- 7c) - Nil

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

Total Amount Spent for the Financial Year (in ₹)	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount Unspent (in ₹)		
	Amount	Date of transfer	Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)	Name of the Fund	Date of transfer
2,07,300/-	NIL		NIL		

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

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

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes / No)	(5) Location of the project		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1	Health Care - COVID 19	Disaster management Including relief, rehabilitation and reconstruction	Yes	Tamil Nadu	Chennai	1,32,300/-	Yes	NA	NA
2	Training for sports	Towards conduct of coaching and training for junior tennis players of Tamil Nadu Tennis Association	Yes	Tamil Nadu	Chennai	75,000/-	Yes	NA	NA
TOTAL						2,07,300/-			

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment - Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹2,07,300/-

(g) Excess amount for set off - ₹5,65,098/-\*

Sl. No.	Particular	Amount (₹)
(i)	Two percent of average net profit of the company as per section 135(5)	51,61,202/-
(ii)	Total amount spent for the financial year (including set off from previous year)	53,68,502/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2,07,300/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2,07,300/-

\*cumulative excess amount available for set-off.

8. (a) Details of Unspent CSR amount for the preceding three financial years:

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

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

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

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) - Not Applicable
- (a) Date of creation or acquisition of the capital asset(s).
  - (b) Amount of CSR spent for creation or acquisition of capital asset(s).
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable.

Chennai  
May 26, 2022

Ganesh Lakshminarayan  
Chairman of the CSR Committee  
DIN: 00012583

Harish Lakshman  
Director  
DIN: 00012602

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

**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 PROVISIO THERETO.**

# 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)

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2022, which were not at arm's length basis.

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

S No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Mr. L Lakshman, Chairman Emeritus
b)	Nature of contracts / arrangements / transaction	Advisory services agreement
c)	Duration of the contracts / arrangements / transaction	5 years (with effect from May 28, 2021 to May 27, 2026)
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Remuneration of ₹1.25 crores per annum payable to Mr. L Lakshman as Chairman Emeritus, at such intervals as may be agreed with him. Other out of pocket expenses incurred by him would be reimbursed at actuals. The broad scope of his advisory services include: <ul style="list-style-type: none"> <li>a) Matters of Corporate Strategy, new business opportunities.</li> <li>b) Be the sounding board for the Company on Company policies/ initiatives.</li> <li>c) Building the Company's image and brand equity.</li> <li>d) Provide mentorship to the senior management personnel in the group.</li> </ul>
e)	Date of approval by the Board	Board of Directors / Committee approval - May 27, 2021; and Shareholders' approval - August 06, 2021 (85 <sup>th</sup> AGM)
f)	Amount paid as advances, if any	NIL

For and on behalf of the Board

Chennai  
May 26, 2022

**Harish Lakshman**  
Vice-Chairman  
DIN: 00012602

**Ganesh Lakshminarayan**  
Chairman  
DIN: 00012583



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

## CORPORATE GOVERNANCE REPORT

## 1. Philosophy on Code of Governance

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

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

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

## 2. Board of Directors

## Composition, Attendance &amp; Meetings

As on March 31, 2022, the Board comprises of Six (6) Directors including one Executive Chairman, one Executive Vice-Chairman and more than 50% of them being Independent Directors. There are no Alternate Directors on the Board. The Woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate

balance of skills, background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner and the composition of the Board at end of FY 2021-22 is in conformity with Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 read with Regulation 17A of SEBI LODR. None of the Independent Directors serve as Independent Director in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in a listed Company he / she serves as Independent Director in not more than three (3) listed Companies. Similarly, none of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all listed and unlisted public Companies in which he / she is a Director in terms of Regulation 26 of SEBI LODR. The Directors periodically notify the Company about changes in the Directorship(s) / Committee position(s) as and when they take place.

During the FY 2021-22, the Board met six (6) times on May 27, 2021, August 06, 2021, November 02, 2021, December 29, 2021, February 08, 2022 and March 31, 2022 and requisite quorum was present throughout these meetings. Wherever required, the Company facilitates the participation of the Directors in Board / Committee meetings through video-conferencing or other audio visual means. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee member / Chairman position(s) held by them in other public companies as on March 31, 2022 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (August 06, 2021)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Ganesh Lakshminarayan (00012583)	Chairman, Managing Director & Promoter	6	Yes	3	4	-	5
Mr. Harish Lakshman (00012602)	Vice Chairman, Joint Managing Director & Promoter	6	No	1	5	2	2
Dr. (Mr.) V Sumantran (02153989)	Non-Executive & Independent	6	Yes	-	3	-	4
Dr. (Ms.) Sheela Bhide (01843547)	Non-Executive & Independent	6	Yes	-	1	-	-

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (August 06, 2021)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Rajeev Gupta (00241501)	Non-Executive & Independent	6	No	1	4	1	3
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	6	Yes	-	2	1	4

# excludes Directorships held on the Boards of private companies, Section 8 Companies, debt listed companies and Companies incorporated outside India and includes Chairpersonship & Directorship held in a deemed public Company

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

**Note:**

1. Mr. L Lakshman (DIN: 00012554), Non-Executive Director, retired as per the retirement policy of the Company, effective from May 27, 2021.

The details of Directorship held in other listed entities as on March 31, 2022 are as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman, Non-Executive & Promoter
	Sundaram Finance Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman, Non-Executive & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Dr. (Ms.) Sheela Bhide	Ahluwalia Contracts (India) Limited	Non-Executive & Independent
Dr. (Mr.) V Sumantran	Interglobe Aviation Limited	Non-Executive & Independent
	TVS Electronics Limited	Non-Executive & Independent
Mr. Rajeev Gupta	Vardhman Special Steels Limited	Chairman, Non-Executive & Independent
	EIH Limited	Non-Executive & Independent
	T.V. Today Network Limited	Non-Executive & Independent
	United Spirits Limited	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
	Rane (Madras) Limited	Non-Executive & Independent

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

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

The disclosure regarding meeting of Independent Directors, Board, Directors' performance evaluation and criteria for performance evaluation of Independent Directors are discussed in detail in the Directors Report. In the opinion of Board, the Independent Directors fulfill the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

The Company had issued formal letter of appointment to all the Independent Directors, whenever they are appointed / re-appointed and the terms and conditions of appointment of Independent Directors have also been disclosed in the website of the Company at [www.ranegroup.com](http://www.ranegroup.com). In case of resignation of a Director before the expiry of his term, the Company obtains a formal resignation letter requiring detailing of reasons for resignation and the same is furnished to the stock exchanges. However, there was no instance of resignation during the year.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the Committee members. The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the web-link at [https://ranegroup.com/rhl\\_investors/familiarisation-programme-for-independent-Directors/](https://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-Directors/).

### Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and Committees. The Board ensures and maintains the highest standards of Corporate Governance. The skills, expertise and competencies identified by the Board, in the context of the automotive business in which the Company operates and for it to function effectively, inter-alia, are as follows:

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

### 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 six (6) times during the year on May 27, 2021, August 06, 2021, November 02, 2021, December 29, 2021, February 08, 2022 and March 31, 2022 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings attended
Dr. (Mr.) V Sumantran	Chairman, Non-Executive & Independent	6
Mr. L Ganesh	Member, Executive & Promoter	6
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	6
Mr. Rajeev Gupta	Member, Non-Executive & Independent	6

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

The Statutory Auditor and the Internal Auditor were present as invitees in the meetings. The President - Finance & Group - CFO, Vice President - Finance & Chief Financial Officer (CFO) & Senior Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors also attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on August 06, 2021.

#### Overall purpose and terms of reference

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

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

The terms of reference and roles of the Audit Committee in line with the provisions of SEBI LODR / Companies Act, 2013, which are mentioned hereunder:

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

remuneration and approves the appointment of CFO.

- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditor / Internal Auditor.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

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

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

During the year, in connection with divestment of 1% shareholding in ZF Rane Automotive India Private Limited (fka Rane TRW Steering Systems Private Limited), the Committee considered and recommended the valuation for shares. Further, the Committee inter-alia reviewed and recommended the amendments to the RPT policy in line with amendments to the SEBI LODR. On a quarterly basis, the Audit Committee reviews RPTs entered into by the company pursuant to each of the omnibus approval. Pursuant to SEBI LODR sixth amendment regulations w.e.f January 01, 2022, all RPTs are approved only by the Independent Directors. 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 NRC is constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met three (3) times during the year on May 27, 2021, November 02, 2021

and February 08, 2022 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings attended
Dr. (Mr.) V Sumantran	Chairman, Non-Executive & Independent	3
Mr. Pradip Kumar Bishnoi	Member, Non-Executive & Independent	3
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	2

**Note:**

1. Mr. L Lakshman ceased to be a member w.e.f. May 27, 2021. During the year, he attended one meeting on May 27, 2021.
2. Dr. (Ms.) Sheela Bhide was inducted as member w.e.f. May 27, 2021.

### Overall purpose and terms of reference

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

- To formulate criteria for determining qualifications, positive attributes and Independence of Director for evaluation of performance of Independent Directors and the Board;
- To approve the remuneration policy of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP);
- To devise policy on Board diversity;
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the CEO / Managing Directors;
- To evaluate performance, recommend and review remuneration of the Executive Directors based on their performance;
- To recommend to the Board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation;
- To consider and recommend professional indemnity and liability insurance for Directors, KMP and SMP;
- To recommend to the Board, all remuneration, in whatever form, payable to senior management;
- During the year, the NRC, inter alia, reviewed and recommended the process of Board evaluation, its committees and Directors;
- Considered and recommended the commission payable to Chairman & Managing Director and Chairman Emeritus for FY 20-21;
- Reviewed the compensation benefits of SMP and KMP of the Company;

- Considered and recommended the appointment & payment of remuneration to L Lakshman as Chairman Emeritus, post his retirement from the Board;
- Consideration and recommendation of appointment of Mr. K Rajesh Raghavan as President - Corporate and Mr. MAP Sridhar Kumar as Senior Vice President - Finance & CFO.

### Remuneration Policy

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

### Remuneration to Directors

In accordance with the said policy and the approval accorded by members way of a special resolution under Section 197 of the Companies Act, 2013 and the Rules made thereunder, Mr. L Ganesh, Chairman and Managing Director is entitled to commission on profits calculated as per Section 198 of the Companies Act, 2013. Accordingly, for the FY 2021-22 the Company has provided a sum of ₹93.80 Lakhs, as commission to Mr. L Ganesh. The same represents 2% of the net profits of the Company for the FY 2021-22.

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

### Sitting Fees

The Directors are eligible for sitting fees, apart from reimbursement of their actual travel and out-of-pocket expenses, if any, for attending the meetings of the Board / Committee. The sitting fees payable per meeting of Board and its Committees are as hereunder:

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



## Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding as at the year ended March 31, 2022 are as follows:

Name of the Director	Sitting Fees (in ₹)	Remuneration (in ₹)	Shares held as on March 31, 2022
Mr. L Ganesh	NA	2,98,38,505	12,16,433
Mr. Harish Lakshman	NA	79,04,532	1,39,817
Dr. (Mr.) V Sumantran	3,90,000	-	-
Dr. (Ms.) Sheela Bhide	3,95,000	-	-
Mr. Rajeev Gupta	3,60,000	-	-
Mr. Pradip Kumar Bishnoi	3,00,000	-	-
<b>Total</b>	<b>14,45,000</b>	<b>3,77,43,037</b>	<b>13,56,250</b>

### Note:

- Shareholding includes joint holdings & HUF, if any.
- No other remuneration except sitting fees was paid to Non-Executive Directors.
- Remuneration paid to Mr. L Ganesh, Chairman & Managing Director are based on shareholder's approval at the 84<sup>th</sup> AGM of the Company.
- The remuneration paid to Mr. L Ganesh comprises of salaries & allowances - ₹1,52,97,553; perquisites - ₹51,60,952; and commission & performance linked incentive - ₹93,80,000, based on recommendation of the NRC and approval of the Board of Directors at their respective meetings held on May 26, 2022.
- Mr. Harish Lakshman, Vice-Chairman & Joint Managing Director receives remuneration in the form of rent free accommodation only, which includes facilities in the nature of telecommunication, gas, electricity, in accordance with provisions of Income Tax Act, 1961. The monetary equivalent of the same is ₹79,04,532 for the FY 2021-22. He does not receive any other remuneration from the Company and receives remuneration from one of the group companies, viz., ZF Rane Automotive India Private Limited (Formerly known as Rane TRW Steering Systems Private Limited (RTSS)). The total remuneration received by him from both the Company and ZRAL is within the limits prescribed under the Companies Act, 2013.
- Mr. L Ganesh, Chairman and Managing Director of the Company receives remuneration in the form of sitting fees for attending meetings of the Board and Committee(s) and commission on net profits, as per Section 197 of the Companies Act, 2013 from two of the subsidiary companies viz., Rane (Madras) Limited and Rane Brake Lining Limited.
- No shares of the Company were pledged by the Directors. There is no stock option scheme prevailing in the Company.
- During the year, Mr. L Lakshman was paid sitting fees of ₹65,000 and holds 11,14,745 shares as on March 31, 2022. He retired as per the retirement policy of the Company on May 27, 2021.

## 5. Stakeholder's Relationship Committee (SRC)

### Composition & Attendance of Meetings

The Stakeholder's Relationship Committee looks into grievances of shareholders and redresses them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met two (2) times during the year on May 27, 2021 and November 02, 2021 with requisite quorum present throughout these meetings. The details of members and their attendance are stated below:

Name of the Director	Category	No. of Meetings attended
Dr. (Ms.) Sheela Bhide	Chairperson, Non - Executive & Independent	2
Mr. L Ganesh	Member, Executive & Promoter	2
Mr. Harish Lakshman	Member, Executive & Promoter	1

### Note:

- Mr. L Lakshman ceased to be a member & Chairman of the Committee w.e.f. May 27, 2021. During the year, he attended one meeting of the Committee on May 27, 2021.
- Ms. Sheela Bhide was inducted as member & designated as Chairperson of the Committee w.e.f. May 27, 2021.
- Mr. Harish Lakshman was inducted as member of the Committee w.e.f. May 27, 2021.

### Overall purpose and terms of reference

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

- To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Chairman of the SRC was present at the last AGM of the Company held on August 06, 2021 to answer queries of the stakeholders. During the year, two complaints were received and resolved (1 under the SEBI Complaints Redress System (SCORES) mechanism and 1 from NSE) Both were relating to issuance of duplicate share certificates. There were no complaints

remaining unresolved as at the end of the financial year 2021-22. The SRC at its meeting held on May 27, 2021 and November 02, 2021 respectively reviewed the Internal Audit report for the FY 2019-20 & FY 2020-21 issued to RTA, in line with the SEBI Circular dated April 20, 2018.

## 6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company. The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on May 27, 2021. The Company Secretary acts as the Secretary to the Committee. The details of members and their attendance are stated below:

Name of the Director	Category	No. of Meetings attended
Mr. L Ganesh	Chairman, Executive & Promoter	1
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	1
Mr. Harish Lakshman	Member, Executive & Promoter	-

### Note:

- Mr. L Lakshman ceased to be a member & Chairman of the Committee w.e.f. May 27, 2021.
- Mr. Harish Lakshman was inducted as member w.e.f. May 27, 2021.
- Mr. L Ganesh was designated as the Chairman of the Committee w.e.f. May 27, 2021.

### Overall purpose and terms of reference

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

- Formulate and recommend CSR Policy, for approval of the Board.
- Formulate and recommend to the Board, an annual action plan in pursuance of CSR policy.
- Approve projects that are in line with the CSR policy.
- Implement CSR projects/programmes directly and through registered implementing agencies.
- Have monitoring mechanisms in place to track the progress of each project.
- Recommend the CSR expenditure to the Board of the Company for approval

(vii) Carry out impact assessment of project/ programmes, where required.

(viii) Ensure the end utilization of CSR expenditure.

(ix) Such other terms as required under any statutory obligation.

The report on CSR projects undertaken during the year 2021-22 as approved by the CSR Committee in consultation with the Board is annexed to this report in 'Annexure C'

## 7. Risk Management Committee

The Company has constituted a Risk Management Committee in compliance with the SEBI Listing Regulations.

The Committee comprises of members from the Board and senior member(s) from leadership team. The current composition of the Committee is as follows:

Name of the Director	Category	No. of Meetings attended
Mr. L Ganesh	Chairman, Executive & Promoter	2
Mr. Harish Lakshman	Member, Executive & Promoter	2
Dr. (Mr.) V Sumantran	Member, Non - Executive & Promoter	2
Mr. P A Padmanabhan	Member, President- Finance, Management Group	2

The Company's approach towards risk management is to mitigate risks to an acceptable level within its tolerances, protect Rane Group's reputation and brand and strive to achieve operational and strategic business objectives.

Risk Assessment is conducted once in two years and the Company has mechanism to identify, assess, mitigate and monitor various risks to key business objectives.

Business process and compliance risk evaluation is an on-going process within the Company. The Company has a dynamic risk management framework to identify, monitor, mitigate and minimise risks.

The Committee is governed by a charter per the terms of reference prescribed under LODR viz.,

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

- (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
- (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee met two (2) times on November 02, 2021 & March 31, 2022. The committee reviewed the risk review plan and approved a policy on risk management.

## 8. Other Committees

### Share Transfer Committee

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

### Finance Committee

A Finance Committee comprising of two Executive Directors, Mr. L Ganesh and Mr. Harish Lakshman as its members. The Committee is authorised to approve borrowings and connected matters, in accordance with the as per the delegations made by the Board, from time to time. During the year three (3) meetings were held to approve further investment in Rane t4u Private Limited (Rt4u), Rane Engine Valve Limited (REVL) and

authorization in connection with borrowings by the Company. No sitting fees is payable to the Committee members. The Company Secretary acts as Secretary to the Finance Committee of the Board. Mr. L Lakshman ceased to be a member of the Committee w.e.f. May 27, 2021.

### Executive Committee

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

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

## 9. Code of conduct

The Board of Directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour - RANE COMPASS" for all Board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company at the weblink [https://ranegroup.com/rhl\\_investors/code-of-conduct/](https://ranegroup.com/rhl_investors/code-of-conduct/). The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. A declaration from the Chairman & Managing Director of the Company to this effect is provided as **Annexure (i)** of this report.

### Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at the weblink: [https://ranegroup.com/rhl\\_investors/rhl-code-of-fair-disclosure/](https://ranegroup.com/rhl_investors/rhl-code-of-fair-disclosure/).

## 10. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue / Mode
August 06, 2021 (85 <sup>th</sup> AGM)	1. Amendment of Articles of Association of the Company.	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC / OAVM)
August 14, 2020 (84 <sup>th</sup> AGM)	1. Approval of the re-appointment of Mr. Ganesh Lakshminarayan as Chairman and Managing Director and his remuneration thereof 2. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the remuneration payable to Mr. L Lakshman, Chairman Emeritus (Non- Executive Directors) exceeding fifty percent of the total remuneration payable to all Non- Executive Directors of the Company 3. Approval under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, as amended from time to time, the remuneration payable to Mr. L Ganesh, Chairman & Managing Director and Mr. Harish Lakshman, Vice-Chairman & Joint Managing Directors, being Promoter Executive Directors	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC / OAVM)
August 08, 2019 (83 <sup>rd</sup> AGM)	1. Reappointment of Dr. (Mr.) V Sumantran as an Independent Director for a second term 2. Approval of the appointment and remunerations of Mr. Harish Lakshman as Joint Managing Director in the designation of Vice Chairman 3. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the remuneration payable to Mr. L Lakshman, Chairman Emeritus (Non- Executive Directors) exceeding fifty percent of the total remuneration payable to all Non- Executive Directors of the Company 4. Approval under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements)	10:15 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai -600 014

No resolution was passed through postal ballot or Extra-Ordinary General Meeting during the financial year 2021-22.

## 11. Disclosures

- i. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except as disclosed in 'Annexure D' to the report of the Board of Directors. The details of transactions in the nature of loans, advances and investments in subsidiary companies is available in the notes to the financial statements. The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons/ entities belonging to promoter / promoter group as per Ind AS as stated in note no. 40 of the financial statements. The policy on related party transaction is available on the website of the Company at the web-link [https://ranegroup.com/rhl\\_investors/policy-on-related-party-transactions/](https://ranegroup.com/rhl_investors/policy-on-related-party-transactions/).
- ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
- iii. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- iv. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
- v. The Company has complied with the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR:
  - a. adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion.
  - b. internal auditor directly reports to the Audit Committee.
- vi. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured

process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.

- vii. The Company has material subsidiary in terms of SEBI LODR. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website at the weblink [https://ranegroup.com/rhl\\_investors/rhl-policy-on-material-subsidiaries/](https://ranegroup.com/rhl_investors/rhl-policy-on-material-subsidiaries/).
- viii. The Company has obtained Certificate from a Company Secretary in Practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached as an **Annexure (ii)** to the Corporate Governance report.
- ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule - IV of the Companies Act, 2013 and Regulations 16 and 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not

aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.

- x. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of the Directors' Report.
- xii. The Managing Director and CFO of the Company have certified to the Board on the integrity of the financial results / statements, effectiveness of internal controls and significant changes in internal control /accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
- xiii. The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
- xiv. The Board has accepted / considered all the recommendation(s) made by its Committee(s) during the relevant financial year.
- xv. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm / network entity) is given hereunder:

(₹ in Crores)

Name of the entity	Paid by the Company	Paid by the Subsidiaries	Paid by the Company	Paid by the Subsidiaries
	FY 2021-22		FY 2020-21	
BSR & Co., Chartered Accountants	0.19	0.33	0.16	0.27
Network entities and firms of BSR & Co. (if any)	-	-	-	-
M/s. Deloitte Haskins and Sells, Chartered Accountants*	N.A.	N.A.	0.03	0.16
Network entities and firms of DHS & Co. (if any)	N.A.	N.A.	-	-
<b>Total</b>	<b>0.19</b>	<b>0.33</b>	<b>0.19</b>	<b>0.43</b>

\*retired as statutory auditors on August 14, 2020.

- xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement, hence, the details of utilization of funds does not arise. There are no convertible instruments due for conversion into Equity.
- xvii. The Board of Directors at their meeting held on May 27, 2021 has formulated a Dividend Distribution Policy and the same is available

on the website of the Company at weblink: [https://ranegroup.com/rhl\\_investors/dividend-distribution-policy/](https://ranegroup.com/rhl_investors/dividend-distribution-policy/).

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



- xix Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/ companies in which directors are interested.

Name of the entity	Interested Director	Amount (₹ in Crs.)	Transactions made during the year
Rane t4u Private Limited	Harish Lakshman	4.65	Loan Offered
Rane t4u Private Limited	Harish Lakshman	7.65	Loan repaid

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

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

## 13. Whistle blower mechanism

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

The policy and the mechanism for reporting have been appropriately communicated across all locations of the Company. During the year under review the Board of Directors amended certain provisions to strengthen the policy on procedural matters especially those

### ii. Financial Year: April 01, 2022 - March 31, 2023

#### Financial Calendar:

Board meeting for approval of	Tentative Date
Audited Annual financial results and financial statements for the year ended March 31, 2022	May 26, 2022
Unaudited financial results for the 1 <sup>st</sup> quarter ending June 30, 2022	By first week of August 2022
Unaudited financial results for the 2 <sup>nd</sup> quarter ending September 30, 2022	By first week of November 2022
Unaudited financial results for the 3 <sup>rd</sup> quarter ending December 31, 2022	By first week of February 2023

(both standalone and consolidated financial statements and financial results)

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

### iii. Dividend

The Board of Directors of the Company at their meeting held on May 26, 2022 have considered

governing the anonymous disclosures, committees, ombudsperson and timelines for detailed enquiry. No person has been denied access to the ombudsperson / Audit Committee. The whistle blower policy has also been posted in the Company's website at the weblink: [https://ranegroup.com/rhl\\_investors/rhl-whistle-blower-policy/](https://ranegroup.com/rhl_investors/rhl-whistle-blower-policy/)

## 14. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results, shareholding pattern and other disclosures / filings requirements under Regulation 17 to 27 and 46(2)(b) to (i), of SEBI LODR, wherever applicable, were also uploaded in the websites of the Stock Exchanges and the Company viz., [www.ranegroup.com](http://www.ranegroup.com). During the year, press release and presentations that were made to analysts / institutional investors were made available on the website of the Company.

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

## 15. General Shareholder Information

### i. Annual General Meeting

June 29, 2022 (Wednesday) at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

and recommended a dividend of 120% (₹12/- per share) on the equity share capital for approval of the shareholders at the ensuing 86<sup>th</sup> AGM to be held on June 29, 2022. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on Wednesday, June 22, 2022

(being the Record Date) fixed for this purpose. The dividend will be paid to the shareholders on July 08, 2022.

iv. Listing on Stock Exchanges

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

Listing Fee

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2022 - 23 to NSE & BSE where the

v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2014 and thereafter which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within the respective due dates.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹4,15,274/- for the financial year ended March 31, 2013 to IEPF on September 18, 2020. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share* (in ₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2022) (in ₹)^	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2015	12.08.2015	7.50	6,78,720.00	17.09.2022	17.10.2022
31.03.2016	10.03.2016	10.00	8,50,820.00	15.04.2023	15.05.2023
31.03.2017*	09.02.2017	3.50	3,62,835.00	17.03.2024	16.04.2024
31.03.2017	31.08.2017	5.00	4,69,900.00	06.10.2024	05.11.2024
31.03.2018*	06.02.2018	5.50	3,20,127.50	14.03.2025	12.04.2025
31.03.2018	02.08.2018	9.00	5,22,387.00	07.09.2025	07.10.2025
31.03.2019	07.02.2019	8.00	3,81,432.00	15.03.2026	14.04.2026
31.03.2019	27.05.2019	11.00	5,28,418.00	02.07.2026	01.08.2026
31.03.2020*	06.02.2020	4.00	2,82,552.00	14.03.2027	13.04.2027
31.03.2020	24.06.2020	4.00	2,16,870.00	20.09.2027	19.10.2027

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

\* Interim dividend

^ amounts reflect confirmation of balance issued by Banks

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed Dividend amounts as on March 31, 2021 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. [www.ranegroup.com](http://www.ranegroup.com).

vi. Transfer of shares to IEPF Authority

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

the last 7 years by any shareholder to the IEPF Authority. During the financial year, the Company has transferred to IEPF the following shares:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2013-14	3,949

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

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure available on the website of IEPF at [www.iepf.gov.in](http://www.iepf.gov.in). The shares relating to unclaimed Dividend for FY 2014-15 (Final) are liable to be transferred to IEPF Authority during the current FY 2022-23. In this regard, the Company shall intimate / publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at [www.ranegroup.com](http://www.ranegroup.com). The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

#### vii. Unclaimed share suspense

In accordance with Regulation 39 of SEBI LODR read with Schedule V of the SEBI LODR, the Company reports the movement of unclaimed shares in the unclaimed share suspense account. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same.

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

Details of Unclaimed Suspense account	No. of shareholders	Outstanding shares
Aggregate at the beginning of the year	245	36,767
Requests for transfer during the year	12	547
Transfers to IEPF during the year	12	547
Balance at the end of the year	233	36,220

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

#### viii. Share Price Data

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. (NSE) and BSE Ltd. (BSE). The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 01, 2021 - March 31, 2022 is given below:

Month	BSE Share Prices (₹)		BSE Sensex		NSE Share Prices (₹)		NSE Nifty	
	High	Low	High	Low	High	Low	High	Low
April 2021	650.00	546.95	50,375.77	47,204.50	651.00	547.20	15,044.35	14,151.40
May 2021	610.20	544.85	52,013.22	48,028.07	612.00	543.00	15,606.35	14,416.25
June 2021	729.90	560.45	53,126.73	51,450.58	730.00	559.35	15,915.65	15,450.90
July 2021	782.45	630.95	53,290.81	51,802.73	782.75	633.00	15,962.25	15,513.45
August 2021	774.00	619.20	57,625.26	52,804.08	774.25	619.95	17,153.50	15,834.65
September 2021	673.10	583.55	60,412.32	57,263.90	680.00	583.05	17,947.65	17,055.05
October 2021	629.80	587.75	62,245.43	58,551.14	630.00	585.25	18,604.45	17,452.90
November 2021	646.45	569.35	61,036.56	56,382.93	647.70	568.05	18,210.15	16,782.40
December 2021	678.30	552.00	59,203.37	55,132.68	674.95	552.15	17,639.50	16,410.20
January 2022	650.95	588.90	61,475.15	56,409.63	651.00	587.45	18,350.95	16,836.80
February 2022	625.80	552.00	59,618.51	54,383.20	627.00	555.10	17,794.60	16,203.25
March 2022	611.20	565.50	58,890.92	52,260.82	615.00	565.10	17,559.80	15,671.45

source: [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com)

#### ix. Registrar and Transfer Agent

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

**Integrated Registry Management  
Services Private Limited**  
SEBI Registration No. INR000000544  
II Floor, 'Kences Towers', No.1, Ramakrishna Street,  
North Usman Road, T. Nagar, Chennai - 600 017  
Phone: 28140801 - 03, Fax : 28142479, 28143378  
e-mail ID: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)  
Name of the contact person:  
Mr. K Suresh Babu, Director

#### x. Share Transfer System

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA. The Share transfers and transmissions are approved and registered within prescribed timelines. On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practicing 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.

xi. Distribution of shareholding as on March 31, 2022

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	18,196	93.46	12,21,669	8.56
501 - 1000	558	2.87	4,30,623	3.02
1001 - 2000	276	1.42	4,14,053	2.90
2001 - 3000	130	0.67	3,29,898	2.31
3001 - 4000	49	0.25	1,72,384	1.24
4001 - 5000	54	0.28	2,48,569	1.74
5001 - 10000	99	0.51	7,22,829	5.06
10001 & above	108	0.54	1,07,37,784	75.17
Total	19,470	100.00	1,42,77,809	100.00

xii. Shares Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As on March 31, 2022, about 98.93% of the shareholdings has been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares - As on		% to total capital - As on	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Physical	1,52,964	1,60,113	1.07	1.12
Demat	1,41,24,845	1,41,17,696	98.93	98.88
Total	1,42,77,809	1,42,77,809	100.00	100.00

Demat ISIN: INE384A01010

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

xiii. Transfer/Transmission/issue of duplicate share certificates of shares in demat mode only

As per SEBI norms, with effect from January 25, 2022, all transmission/transfer requests including issuance of duplicate share certificates are mandatorily to be processed in dematerialised form only.

xiv. Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the Company during the year ended March 31, 2022 are as follows:

Rating Agency	Security - Type	₹ in Crores	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of Credit Rating
ICRA Limited	Long term	86.70	AA-	-	Re-affirmed	November 29, 2021
	Long term	13.30	AA-	Stable	Re-affirmed	
	Short term		A1+	-	Re-affirmed	

xv. Address for communication:

The Compliance Officer  
Rane Holdings Limited  
Rane Corporate Centre,  
"Maithri" 132, Cathedral Road,  
Chennai 600 086.  
Ph.28112472;  
e-mail ID: [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com)

Mr. K Suresh Babu, Director  
Integrated Registry Management Services Private Limited  
II Floor, 'Kences Towers'  
OR No.1, Ramakrishna Street, North Usman Road,  
T. Nagar, Chennai - 600 017  
Phone: 2814081-03, Fax: 28142479  
e-mail ID: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

Annexure (i)

To  
The Members,  
**Rane Holdings Limited**

Declaration by Managing Director on the Code of Conduct pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2022.

Chennai  
May 26, 2022

**Ganesh Lakshminarayan**  
Chairman & Managing Director  
DIN: 00012583

## Annexure (ii)

## CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

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

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

We hereby certify that, in our opinion, none of the below named directors who are on the Board of Directors of **RANE HOLDINGS LIMITED** ("the Company") as on **March 31, 2022**, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

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

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

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

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of Directors of the Company. Our responsibility is to express an opinion on this, based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the Corporate Governance process or the process followed by its management with regard to appointment / continuation of a person as a Director on the Board of Directors of the Company.

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

**K. Sriram,**  
Partner

Place: Chennai  
Date: May 26, 2022

Membership No.: F6312  
Certificate of Practice No.: 2215  
UDIN: F00631D000394801



### Annexure (iii)

#### Certificate of Compliance with the Corporate Governance

#### INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

TO  
THE MEMBERS  
**RANE HOLDINGS LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated May 12, 2022.
2. We have examined the compliance of conditions of Corporate Governance by **Rane Holdings Limited** ('the Company') for the year ended March 31, 2022 as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

#### Management's Responsibility

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

#### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended March 31, 2022.

6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

#### Restriction on use

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

Place: Chennai  
Date: May 26, 2022

**For BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

**S Sethuraman**  
Partner  
Membership No : 203491  
UDIN: 22203491AJQXYD1346

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

**BUSINESS RESPONSIBILITY REPORT**

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

**Section A: General information about the Company**

1. Corporate Identity Number (CIN) of the Company:	L35999TN1936PLC002202
2. Name of the Company:	Rane Holdings Limited
3. Registered address:	"Maithri", No.132, Cathedral Road, Chennai - 600 086; Phone: 044 - 2811 2472;
4. Website:	<a href="http://www.ranegroup.com">www.ranegroup.com</a>
5. e-mail ID:	<a href="mailto:investorservices@ranegroup.com">investorservices@ranegroup.com</a>
6. Financial Year reported:	FY 2021-2022
7. Sector(s) that the Company is engaged in (industrial activity code-wise):	77400- Trademark fees 64200- Dividend income 62020- Information technology support service 70200- Management consultancy service
8. List three key products/services that the Company manufactures/provides (as in balance sheet):	Rane Holdings Limited, being the holding Company of Rane Group is engaged in three main-stream services viz., holding strategic investments, licensing trademark and providing services to the Rane Group Companies. <b>Investments:</b> Rane Holdings Limited (RHL) holds strategic investments in the Rane Group Companies. <b>Trademark:</b> RHL owns 'Rane' trademark and licences usage of the same by Rane Group Companies. <b>Service:</b> RHL provides a range of services to Rane Group Companies like employee training and development, investor services, business development and Information systems support.
9. Total number of locations where business activity is undertaken by the Company: Provide details of major a) Number of International Locations b) Number of National Locations	The total number of locations where business activities undertaken by the Company - 30 nos.  a) International locations - 4 nos. b) National locations - 26 nos.
10. Markets served by the Company - Local/State/ National/International	All

**Section B: Financial details of the Company**

- Paid-up Capital: ₹14,27,78,090/-
- Total Turnover: ₹1,09,23,76,993/-
- Total profit after taxes: ₹33,88,46,305/-
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **1.69%**. The total amount spent for the financial year including set-off availed from previous years is over and above the minimum spend required for the financial year in accordance with Section 135 of the Companies Act, 2013.
- List of activities in which expenditure in 4 above has been incurred:  
  
The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The Company continues to focus on four thrust areas for its

CSR activities, viz., Education, Healthcare, Environment and Community Development. During the year, the Company has implemented several projects primarily focusing on Education followed by Healthcare, which are in detail furnished in the annual report on CSR activities annexed to the report of the Board of Directors.

**Section C: Other details**

- Does the Company have any Subsidiary Company/ Companies?**  
  
Yes. The Company has 4 domestic subsidiaries, 4 wholly owned overseas subsidiaries including step down subsidiaries, 2 joint venture Companies (Collectively referred to as 'Rane Group of Companies').
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s):**

Yes. Business Responsibility initiatives of RHL (being the Parent Company) are generally pursued across by manufacturing Companies of the Rane Group viz., 3 domestic subsidiaries and 2 joint venture / associate companies. However, the listed subsidiary companies in addition have their own BR initiatives.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No. The other entities with which the Company does business with viz suppliers, distributors etc. do not participate in the BR initiatives of the Company.

#### Section D: BR information

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

- (a) Details of compliance (Y/N)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Do you have a policy/ policies for the principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy been approved by the Board? Is yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online?	<a href="http://ranegroup.com/rane-holdings-limited-investors/#policies">http://ranegroup.com/rane-holdings-limited-investors/#policies</a>								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

1. Details of Director/Directors responsible for BR

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

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

- (b) Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN	00012583
2.	Name	Mr. Ganesh Lakshminarayan
3.	Designation	Chairman and Managing Director
4.	Telephone number	044-28112472
5.	e-mail ID	<a href="mailto:l.ganesh@ranegroup.com">l.ganesh@ranegroup.com</a>

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

(Tick up to 2 options)

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

Not applicable

### 3. Governance related to BR

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

The Sustainability report is internally reviewed on half yearly basis and the BR performance report is reviewed by the Board on an annual basis.

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

The BR Report is published as part of this annual report and the same is available on the Company's website at [https://ranegroup.com/rane-holdings-limited-investors/#annual\\_reports](https://ranegroup.com/rane-holdings-limited-investors/#annual_reports).

During the FY 2021-2022, the Company has received 2 complaints from investors. The Stakeholders Relationship Committee (SRC) oversees the redressal of complaints and that they are redressed in an effective and timely manner.

There are no investor complaints pending unresolved at the end of the financial year 2021-2022.

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

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

The Company incorporates innovative designs for its products with an imperative to protect the environment, conserve natural resources for achieving sustainable economic growth. These high value designs are co-developed with our customers and technology partners to enhance passenger safety, eliminate by-product wastes and high technology special features to improve passenger comforts.

- Advanced ball joint technology to trigger early warning signal of loss of steering control.
- New grades being developed by using by-products under 3R concept.
- Advanced software development for special features of Electric Power Steering applications.

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

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

### Section E: Principle wise performance

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

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

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

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

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

- Increased usage of renewable power.
- Reusage and co processing activities.
- Returnable packaging is used to conserve resources on distribution.

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

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

- New organic grades, new process technology, electronic parking brake pads etc. are developed.
- Adoption to advanced technology optimises the usage of resources.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

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

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Localisation is the high priority for the Rane Group Companies. Adequate steps have been taken to procure goods from local and small vendors. The steps taken to improve the capability and capacity of local vendors include:

- Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability.
- Communicating on periodic basis and creating joint action plans to meet the requirements.
- The company strongly promotes and support 'Make in India' initiatives by implementing localization

projects. Company promotes manufacturing technology development at domestic vendors and provides employment to local communities by these initiatives.

- Ensuring statutory compliance including non-deployment of child labour in the factory premises.

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

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

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

#### Principle 3: Well - being of Employees [Businesses should promote the wellbeing of all employees]

1. Total number of employees: 95
2. Total number of employees hired on temporary/contractual/casual basis: 52
3. Number of permanent women employees: 18
4. Number of permanent employees with disabilities: NIL
5. Do you have an employee association that is recognized by management: Not applicable.
6. What percentage of your permanent employees are members of this recognized employee association? - Not applicable.
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

- (a) Permanent Employees - 100%
- (b) Permanent Women Employees- 100%
- (c) Casual/Temporary/Contractual Employees -100%
- (d) Employees with Disabilities - NA

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

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

- Has the Company mapped its internal and external stakeholders? Yes/No: Yes
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. The Company supports various special initiatives to engage with disadvantaged, vulnerable and marginalised stakeholders by actively engaging with Rane Foundation, the CSR arm of the Rane group. For detailed discussion, please refer to Management Discussion and Analysis and annual report on CSR activities forming part of this annual report.

**Principle 5: Human Rights [Businesses should respect and promote human rights]**

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The Rane Compass (which is Rane's Policy on Ethical Standards and Behaviour), Rane Whistle Blower Policy

and Rane Policy on Prevention of Sexual Harassment of Women at Work Place cover various aspects of human rights and extend to all Rane Group Companies.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the FY 2021-2022, the Company has not received any complaints under the vigil mechanisms of the Company reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. The Company also has not received any instances / complaints to report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Principle 6: Environment [Businesses should respect, protect, and make efforts to restore the environment]**

- Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

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

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

Yes, the Company makes efforts to address global environmental issues such as reducing carbon footprints and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc. and the same is available in the web link: [https://ranegroup.com/rane-holdings-limited-investors/#annual\\_reports](https://ranegroup.com/rane-holdings-limited-investors/#annual_reports)

- Does the Company identify and assess potential environmental risks? Y/N.

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

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

The Company continues to work towards development and implementation of climate change mitigation projects mainly through energy saving projects,



water saving, waste reduction & CO<sub>2</sub> reduction under sustainability development. However, it does not have any registration for CDM projects.

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

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

- Additional sources for renewable energy in pipeline.
- Use of energy efficient induction lamps, LEDs in shop floor and office area.
- Thyristor controllers in place of contactors for baking ovens.
- Projects implemented for energy conservation and reduction in consumables in the shop floor.
- Increased mix of renewable power such as Wind and Solar energy.
- Carton box as packing material has been replaced with Returnable plastic crates. Eliminates the requirement of single use carton boxes significantly.

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

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

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

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

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
- (a) Indo- American Chamber of Commerce.
  - (b) Confederation of Indian Industry (CII).
  - (c) National safety council.
  - (d) Employees Federation of South India (EFSI).
  - (e) Indo Japan Chamber of Commerce & Industry.
  - (f) Indo Australian Chamber of Commerce.
  - (g) The Associated Chambers of Commerce and

Industry of India (ASSOCHAM).

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Y/No; if Yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, representations have been made to chambers and associations connected the group's business on various matters for improvement of regulatory policies to build a better, competitive and sustainable business environment.

**Principle 8: CSR [Businesses should support inclusive growth and equitable development]**

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

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

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

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

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

No formal impact assessment was carried out. However, Rane group Companies have financially supported the various CSR initiatives of Rane Foundation. The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its tenth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. The impact of the initiative is visible as over the last four batches, 1,700 students have completed their diploma program. In the current year, 175 students completed their diploma program with 100% campus placement. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation has embarked on its next major project, a school 'Rane Vidyalaya' in Trichy. The school provides quality education to children in rural

neighbourhood. The institution aims to provide a conducive learning environment to children, develop well-qualified teachers and support staff for the continuous improvement, and recognize the diversity of talent amongst children by promoting extra-curricular activities. The school is located in Theerampalayam, Manachanallur Taluk, and Trichy, will offer nursery and primary education to start with, and shall gradually scale to offer up to higher secondary education in due course of time. The school began functioning from the academic year 2018-19 with classes from Nursery to Class II and follows CBSE curriculum. Rane Vidyalaya is recognised by the Directorate of School Education, Tamil Nadu and has applied for affiliation with the Central Board of Secondary Education (CBSE). In 2021-22, it reached a student strength of 459. In its fourth year of operations, operating from LKG to VII standard proving the need for a quality school in rural area. The school adopted new modes of teaching which was well received by the parents and students during the COVID period.

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

Please refer the section on CSR activities of the annual report for further details.

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

Please refer to CSR report for further details.

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

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

The Company has a robust system for addressing customer complaints. The complaints received are analysed, appropriate countermeasures are presented to customers and implemented and effectiveness is monitored. As at the end of the financial year, there were no pending customer complaints.

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

Not applicable. Since RHL is the Holding Company and its primary activities are investing into Group Companies. However, the Group Companies' products are predominantly supplied to OEM's as per their requirements. The Group Company displays product requirements on packaging as per the requirements

of OEM's and consistent with applicable laws. For the aftermarket segment, the product details are mentioned as per rules made under Legal Metrology Act, 2009 as amended from time to time.

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

No such cases was pending at the end of the FY 2021-22.

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

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations. The Company obtains customer feedback by engaging a third party agency to conduct surveys with key stakeholders in the customer organisation. The Company constantly communicates with customers and uses the data posted on the customer portal on a monthly / quarterly basis to evaluate the performance and take remedial actions. Customer Satisfaction trends are compiled, monitored and reviewed by top management on a periodic basis and action plans are discussed with customers.

For and on behalf of the Board

	<b>Harish Lakshman</b>	<b>Ganesh Lakshminarayan</b>
Chennai	Vice-Chairman	Chairman
May 26, 2022	DIN: 00012602	DIN: 00012583

# INDEPENDENT AUDITORS' REPORT

To the Members of Rane Holdings Limited

Report on the Audit of the Standalone Financial Statements

## Opinion

We have audited the standalone financial statements of Rane Holdings Limited (the "Company"), which comprise the standalone balance sheet as at March 31, 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone*

*Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

## Emphasis of matter

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

Our opinion is not modified in respect of this matter.

## Key Audit Matters

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

## Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p><b>Impairment of investment in subsidiary - Rane T4u Private Limited</b></p> <p>Refer note 7 to the standalone financial statements.</p> <p>The Company has an investment in subsidiary, Rane T4u Private Limited amounting to INR 4,560 lakhs (gross) as at March 31, 2022. The Company records the investment at cost less accumulated impairment losses. If triggers for an impairment exists, the recoverable value of the investment is estimated in order to determine the extent of the impairment loss, if any.</p> <p>Due to significant losses incurred by the subsidiary, there is a risk that the carrying value of the investment is higher than its recoverable value as at the year end, thereby triggering impairment. Consequently, the Company carried out an impairment assessment and recognized an impairment loss of INR 1,781 lakhs during the year ended March 31, 2022. (resulting in a cumulative impairment loss of INR 3,338 lakhs and net carrying value of INR 1,222 lakhs).</p>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policy for impairment as per relevant accounting standard.</li> <li>Assessed the design and implementation of key internal financial controls with respect to impairment of investment in its subsidiary and tested the operating effectiveness of such controls.</li> <li>Evaluated the objectivity, independence and competence of the valuation specialist engaged by Company.</li> </ul>

The key audit matter	How the matter was addressed in our audit
<p>The determination of the recoverable value of investments, which is based on the fair value less cost to sell, involves significant judgements and estimates including determination of comparable companies and transactions, implied market multiples and projected revenue.</p> <p>We have identified the assessment of impairment as a key audit matter since it involves significant judgement in making the above estimate especially in view of the highly uncertain economic environment and hence the actual results may differ from those estimated at the date of approval of these financial statements.</p>	<ul style="list-style-type: none"> <li>Evaluated the appropriateness of the key assumptions used in estimating the recoverable value such as comparable companies and transactions, implied market multiples and projected revenue used in the fair value less cost to sell model. This evaluation was based on our knowledge of the Company, its subsidiary and the industry, and observable market data, past performances, consistency with the Board approved plans and inquiries of the auditors of the subsidiary.</li> <li>Evaluated the sensitivity analysis of the key assumptions used in the impairment assessment.</li> <li>Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the recoverable value of the investment in its subsidiary</li> <li>Assessed the adequacy of the disclosures relating to impairment of investment in its subsidiary in the standalone financial statements.</li> </ul>

### Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on the other information that we obtained prior to the date of this Auditors' Report.

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and

timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.



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

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

- a) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.
- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in note 31.3(d) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
  - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented, that, to the best of its knowledge and belief, as disclosed in note 31.3(e) to the accounts, no funds have been received by the

Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) As stated in note 18.d to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**S Sethuraman**

Partner

Place: Chennai  
Date: May 26, 2022

Membership no: 203491  
UDIN: 22203491AJQXDC6622



# Annexure A to the Independent Auditor's Report

To the Members of Rane Holdings Limited on the Standalone financial statements for the year ended March 31, 2022

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

- (i) (a) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
- b. The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified once in two years. In accordance with this programme, certain Property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds/ court order approving scheme of arrangement/ amalgamation provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- In respect of certain immovable properties of land and buildings whose title deeds have been pledged with bank / financial institution as security for term loans, our reporting under this clause is based on confirmations received from such bank / financial institution that the immovable properties are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right of use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and limited liability partnership and has given loan to a company in respect of which the requisite information is as below. The Company has not made any investments in firms or any other parties.
- (a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans to other entity as below:

(amounts in INR Lakhs)

Particulars	Loans
Aggregate amount during the year	765
- Subsidiary*	
Balance outstanding as at balance sheet date	-
- Subsidiary*	

\* As per Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion that the investments made and the terms and conditions of the grant of loan provided during the year are prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any advances in the nature of loans to companies, firms, limited liability partnership or any other parties during the year.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans given by the Company, in our opinion the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. The Company has not provided any guarantee or security during the year.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of any of the activities of the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective July 1, 2017, these statutory dues has been subsumed into Goods and Services Tax ("GST").

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-Tax and other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs and cess.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to GST, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of statute	Nature of the dues	Disputed amount (INR Lakhs)	Amount unpaid (INR Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income tax Act, 1961	Income tax	85	35	AY 2005-06	Assessing officer
Income tax Act, 1961	Income tax	49	20	AY 2017-18	CIT(A)
Customs Act, 1962	Customs duty	6	6	AY 2012-13	CESTAT

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries and joint venture / associate entities as defined under Companies Act, 2013.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries and joint venture / associate entities as defined under Companies Act, 2013.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act 2013, are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

**S Sethuraman**  
Partner

Place: Chennai Membership No.: 203491  
Date : May 26, 2022 ICAI UDIN: 22203491AJQXDC6622

# Annexure B to the Independent Auditor's report

on the standalone financial statements of Rane Holdings Limited for the year ended March 31, 2022

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

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

## Opinion

We have audited the internal financial controls with reference to financial statements of Rane Holdings Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal

financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

## Meaning of Internal Financial controls with Reference to Financial Statements

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

### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

**S Sethuraman**  
Partner  
Place: Chennai  
Date : May 26, 2022  
Membership No.: 203491  
ICAI UDIN: 22203491AJQXDC6622

# STANDALONE BALANCE SHEET

AS AT 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	3	10,131	10,180
b. Capital work-in-progress	4a	20	-
c. Right-of-use assets	5	63	146
d. Other intangible assets	6	48	23
e. Intangible assets under development	4b	95	-
f. Financial assets			
i. Investments	7	47,452	43,130
ii. Other financial assets	8	4	4
g. Income tax assets (net)	9	420	398
h. Other non-current assets	10	5	3
<b>Total non-current assets</b>		<b>58,238</b>	<b>53,884</b>
<b>Current assets</b>			
a. Financial assets			
i. Investments	12	-	273
ii. Trade receivables	13	468	1,166
iii. Cash and cash equivalents	14.a	34	38
iv. Bank balances other than (iii) above	14.b	46	52
v. Loans	15	2	301
vi. Other financial assets	8	5	8
b. Other current assets	16	310	462
<b>Total current assets</b>		<b>865</b>	<b>2,300</b>
<b>TOTAL ASSETS</b>		<b>59,103</b>	<b>56,184</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	17	1,428	1,428
b. Other equity	18	49,115	45,428
<b>Total equity</b>		<b>50,543</b>	<b>46,856</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	19	5,632	6,610
ii. Lease liabilities	20	10	76
b. Provisions	23	122	100
c. Deferred tax liabilities (net)	11	481	496
<b>Total non-current liabilities</b>		<b>6,245</b>	<b>7,282</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	19	1,286	1,082
ii. Lease liabilities	20	56	76
iii. Trade payables	22	-	-
a. Total outstanding dues of micro enterprises and small enterprises		79	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		171	217
iv. Other financial liabilities	21	528	202
b. Other current liabilities	25	151	175
c. Provisions	23	44	44
d. Current tax liabilities (net)	24	-	250
<b>Total current liabilities</b>		<b>2,315</b>	<b>2,046</b>
<b>TOTAL LIABILITIES</b>		<b>8,560</b>	<b>9,328</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>59,103</b>	<b>56,184</b>

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited****S Sethuraman**

Partner

Membership No.: 203491

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

Place: Chennai

Date: 26 May 2022

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary



# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

S.No	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	26	8,880	6,508
II	Other income	27	2,044	91
III	<b>Total income (I+II)</b>		<b>10,924</b>	<b>6,599</b>
IV	<b>Expenses:</b>			
	Employee benefits expense	28	1,701	1,309
	Finance costs	29	590	309
	Depreciation and amortisation expenses	30	309	306
	Other expenses	31	1,777	1,620
	<b>Total expenses (IV)</b>		<b>4,377</b>	<b>3,544</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>6,547</b>	<b>3,055</b>
VI	Exceptional items	7.4	(1,781)	(1,557)
VII	<b>Profit before tax (V+VI)</b>		<b>4,766</b>	<b>1,498</b>
VIII	<b>Tax expense:</b>	33		
	(1) Current tax		1,306	589
	(2) Current tax for earlier years		77	771
	(3) Deferred tax		(5)	2
	<b>Total tax expense (VIII)</b>		<b>1,378</b>	<b>1,362</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>3,388</b>	<b>136</b>
X	<b>Other comprehensive income</b>			
	i) Items that will not be reclassified to profit or loss			
	a) Re-measurement gains/(losses) on defined benefit plans		15	66
	b) Net gain/(loss) on FVOCI equity instruments		384	1,809
	c) Income tax relating to items that will not be reclassified to profit or loss		(100)	(536)
	<b>Total other comprehensive income (net of tax) (X)</b>		<b>299</b>	<b>1,339</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>3,687</b>	<b>1,475</b>
XII	<b>Earnings per equity share</b>	37		
	(a) Basic (In ₹)		23.73	0.95
	(b) Diluted (In ₹)		23.73	0.95

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**

Partner

Membership No.: 203491

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

Place: Chennai

Date: 26 May 2022

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary

# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

## A. Equity share capital

Particulars	Amount
Balance as at 1 April 2020	1,428
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1 April 2020	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2021	1,428
Changes in Equity Share Capital due to prior period errors	-
Restated balance as at 1 April 2021	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2022	1,428

## B. Other equity

Particulars	Reserves and Surplus				Item of OCI Equity instrument through OCI	Total Other Equity
	Capital Redemption Reserve	Securities premium	General Reserve	Retained Earnings		
Balance as at 1 April 2020	550	4,433	31,526	7,603	412	44,524
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 1 April 2020	550	4,433	31,526	7,603	412	44,524
Total comprehensive income for the year ended 31 March 2021						
Profit for the year	-	-	-	136	-	136
Other comprehensive income for the year (net of tax)	-	-	-	49	1,290	1,339
Total comprehensive income	-	-	-	185	1,290	1,475
Payment of dividend	-	-	-	(571)	-	(571)
Balance as at 31 March 2021	550	4,433	31,526	7,217	1,702	45,428
Balance as at 1 April 2021	550	4,433	31,526	7,217	1,702	45,428
Changes in accounting policy or prior period errors	-	-	-	-	-	-
Restated balance as at 1 April 2021	550	4,433	31,526	7,217	1,702	45,428
Total comprehensive income for the year ended 31 March 2022						
Profit for the year	-	-	-	3,388	-	3,388
Other comprehensive income for the year (net of tax)	-	-	-	11	288	299
Total comprehensive income	-	-	-	3,399	288	3,687
Balance as at 31 March 2022	550	4,433	31,526	10,616	1,990	49,115

See accompanying notes forming part of standalone financial statements  
As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

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

S Sethuraman

Partner

Membership No.: 203491

Harish Lakshman

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DIN: 00012583

Place: Chennai

Date: 26 May 2022

M A P Sridhar Kumar

Chief Financial Officer

Siva Chandrasekaran

Company Secretary

# STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flows from operating activities</b>		
Profit for the year	3,388	136
<b>Adjustments for:</b>		
Income tax expense recognised in profit and loss	1,378	1,362
Depreciation and amortisation expenses	309	306
Net (gain)/loss on disposal of property, plant and equipment	(8)	1
Finance costs	590	309
Gain on current investments mandatorily measured at FVTPL	(17)	(14)
Gain on sale of non-current investment	(1,970)	-
Interest income	(48)	(5)
Income relating to financial guarantees	-	(30)
Impairment of investment	1,781	1,557
<b>Movements in working capital:</b>		
(Increase) / decrease in trade receivables	698	(229)
(Increase) / decrease in other assets	166	(75)
Increase / (decrease) in trade payables	33	113
Increase / (decrease) in provisions	22	(54)
Increase / (decrease) in other liabilities	158	8
<b>Cash generated from operations</b>	<b>6,480</b>	<b>3,385</b>
Income taxes paid	(1,777)	(641)
<b>Net cash generated from operations</b>	<b>4,703</b>	<b>2,744</b>
<b>Cash flows from investing activities</b>		
Loan repaid by subsidiary	765	-
Loan given to subsidiary	(465)	(300)
(Payment towards purchase) / Proceeds from sale of current investments (net)	289	157
Payment towards purchase of property, plant and equipment and intangible assets	(178)	(155)
Proceeds from disposal of property, plant and equipment	8	1
Payment towards purchase of non-current investments	(6,318)	(6,179)
Proceeds from sale of non-current investments	2,569	232
Interest received	51	2
<b>Net cash generated from / (used in) investing activities</b>	<b>(3,279)</b>	<b>(6,242)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	599	5,658
Repayment of borrowings	(1,373)	(1,264)
Payment of dividend	-	(571)
Interest paid	(572)	(311)
Payment of lease liabilities	(82)	(94)
<b>Net cash generated from / (used in) financing activities</b>	<b>(1,428)</b>	<b>3,418</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4)</b>	<b>(80)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>38</b>	<b>118</b>
<b>Cash and cash equivalents at the end of the year (refer note 14 a.)</b>	<b>34</b>	<b>38</b>

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**  
Partner  
Membership No.: 203491

**Harish Lakshman**  
Vice Chairman and Joint Managing Director  
DIN: 00012602

**Ganesh Lakshminarayan**  
Chairman and Managing Director  
DIN: 00012583

Place: Chennai  
Date: 26 May 2022

**M A P Sridhar Kumar**  
Chief Financial Officer

**Siva Chandrasekaran**  
Company Secretary

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### Summary of significant accounting policies, critical judgements and key estimates

#### 1. Corporate Information

Rane Holdings Limited ("RHL" or "the Company") is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Rane Group's investment profile includes subsidiaries and Joint venture/associate entities. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure. The Company is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

#### 2. Significant accounting policies

##### 1. Statement of compliance and basis of preparation

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

##### 2. Basis of measurement

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

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

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

#### 3. Use of estimates and Judgements

The preparation of the standalone financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions as considered in the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates, judgement and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

##### 3.1 Judgements

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

- Note 7 - Impairment testing for investments

##### 3.2 Assumptions and estimation uncertainties

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

##### 3.2.1 Fair value measurements and valuation process

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Further details are given in note 41.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 3.2.2 Impairment of investments

The Company tests whether any of its investments have suffered any impairment on an annual basis. The recoverable value of the investment is determined based on fair value less cost to sell which require the use of assumptions. Refer note 7.

### 3.2.3 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantively enacted. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely expected outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available. Further details are given in note 11, 33 and 35.

### 3.2.4 Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 36.

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

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

The Company has considered the possible effects that may result from the continued effect of the pandemic on the carrying amounts of assets (net of impairment losses), capital and financial resources, profitability, liquidity position, internal financial controls etc. In

developing the assumptions relating to the possible future uncertainties, the Company, as at the date of approval of these financial statements has used internal and external sources of information and based on current estimates expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements dependent on circumstances that evolve in the future. The Company will continue to closely monitor any material changes to future economic conditions.

## 4. Measurement of fair values

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

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

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

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

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

## 5. Financial Instruments

### i. Initial recognition

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

A financial asset (except trade receivables and contract

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

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

#### ii. Classification and subsequent measurement

##### Financial assets

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

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Debt investments at FVOCI	at	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	at	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

### iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

### iv. Offsetting

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

## 6. Property, plant and equipment

Items of property, plant and equipment are carried at cost, which includes capitalised borrowing costs, less accumulated depreciation and impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### Transition to Ind AS

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

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

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Asset	Management estimate of useful life	Useful life as per Schedule II
Buildings	30 years	30 years
Plant and machinery	15 years	15 years
Vehicles	5 years	8 years
Furniture and fixtures	5 years	10 years
Office equipment	3 years	5 years
Computers and data processing units	3 years	3 to 6 years

Freehold land is not depreciated.

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

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

#### 7. Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in which the expenditure is incurred. The amortisation expense on intangible assets is recognised in the statement of profit and loss. An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

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

#### Transition to Ind AS

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

#### 8. Impairment

##### i. Impairment of financial instruments

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

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

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

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

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

### Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

### Write-off

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

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

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

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

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

If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

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

## 9. Borrowings and borrowing costs

Borrowing are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 10. Leases

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

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

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

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

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

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are

re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

### 11. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 12. Cash flow statement

Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

### 13. Foreign currency transactions and translations

#### (i) Functional and presentation currency

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

#### (ii) Transactions and balances

In preparing the standalone financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

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

### 14. Revenue recognition

The Company derives revenues primarily from rendering management and information technology services to the subsidiaries and joint venture/associate entities and from Trade Mark fee in accordance with the terms of the agreements with the Group entities. Revenue is recognized upon transfer of control of promised services to customers (i.e. upon rendering of services) at an amount that reflects the consideration that the Company expects to receive in exchange for those services.

#### Dividend Income

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

#### Other income

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

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

### 15. Employee benefits

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### Defined contribution plans

##### Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or

loss in the periods during which the related services are rendered by employees.

#### Superannuation fund

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

#### Defined benefit plans

##### Gratuity

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

#### Other Long term employee benefits

##### Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### 16. Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

loss. As at the balance sheet date, an asset / liability is recognized for the difference between the amount spent and the amount required to be spent as per the provisions of the Act.

### 17. Provisions and contingent liabilities

**Provisions:** Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

### 18. Taxation

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

#### a. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### b. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### 19. Financial and Corporate guarantee contracts

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

Financial guarantee contracts issued by the Company are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### 20. Earnings per share

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

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

### 21. Investment in subsidiaries and Joint venture/associates

Investment in subsidiaries and joint venture/associate entities are measured at cost less accumulated impairment as per Ind AS 27.

### 22. Dividend

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

### 23. Segment reporting

The Company holds strategic investments in subsidiaries and joint venture/associate entities (collectively called "the Group") that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group. Segment reporting information is provided in the consolidated financial statements of the group.

### 24. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued time to time. On 23 March, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

#### Ind AS 16 - Property Plant and equipment

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable cost considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual period beginning on or after 1 April, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

#### Ind AS 37 - Provisions, Contingent liabilities and Contingent Assets

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

#### Ind AS 103 - Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(All amounts are in INR lakhs unless otherwise stated)

### 3 Property, plant and equipment

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying amounts of:		
a. Freehold land	7,941	7,941
b. Buildings	1,732	1,761
c. Plant and machinery	147	135
d. Furniture and fixtures	150	180
e. Office equipments	88	84
f. Vehicles	73	79
	<b>10,131</b>	<b>10,180</b>

  

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying amount							
Balance as at 1 April 2020	7,941	2,016	200	317	162	56	10,693
Additions	-	18	2	12	45	74	152
Disposals	-	-	(3)	-	(1)	-	(4)
Balance as at 31 March 2021	7,941	2,034	199	329	207	130	10,840
Additions	-	54	31	23	53	17	178
Disposals	-	-	(1)	(1)	(11)	(15)	(28)
Balance as at 31 March 2022	7,941	2,088	229	351	249	132	10,990
Accumulated depreciation and impairment							
Balance as at 1 April 2020	-	191	46	99	84	41	460
Depreciation expense	-	82	18	50	40	11	201
Disposals	-	-	-	-	(1)	-	(1)
Balance as at 31 March 2021	-	273	64	149	123	51	660
Depreciation expense	-	83	19	53	49	22	226
Disposals	-	-	(1)	(1)	(11)	(14)	(27)
Balance as at 31 March 2022	-	356	82	201	161	59	859
Net carrying amount							
As at 31 March 2021	7,941	1,761	135	180	84	79	10,180
As at 31 March 2022	7,941	1,732	147	150	88	73	10,131

3.1. Land and buildings aggregating to ₹ 4,521 lakhs (31 March 2021: ₹ 4,532 lakhs) are mortgaged against loan availed from Federal Bank Limited, Axis Finance Limited and HDFC Bank Limited (Refer note 19).

3.2. All title deeds of immovable properties are held in the name of the Company.

3.3. The Company doesn't have any Benami property.

3.4 The company has not revalued its property, plant and equipment.

3.5. Refer note 35 a for Capital Commitments

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 4a Capital work-in-progress

Particulars	As at 31 March 2022	As at 31 March 2021
Capital work-in-progress	20	-
	20	-

#### Capital work-in-progress ageing schedule

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at 31 March 2022					
Projects in progress	20	-	-	-	20
Projects temporarily suspended	-	-	-	-	-

### 4b Intangible assets under development

Particulars	As at 31 March 2022	As at 31 March 2021
Intangible assets under development	95	-
	95	-

#### Intangible assets under development ageing schedule

Particulars	Amount in Capital work-in-progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at 31 March 2022					
Projects in progress	95	-	-	-	95
Projects temporarily suspended	-	-	-	-	-

4.1 The Company doesn't have any Capital work-in-progress and Intangible assets under development which is overdue or exceeded its cost compared to its original plan and hence Capital work-in-progress and Intangible assets under development completion schedule is not applicable.

4.2. Refer note 35.a for Capital Commitments

### 5 Right-of-use assets

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying amounts of:		
Right-of-use assets	63	146
	63	146

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Office equipment	Vehicles	Total
<b>Gross carrying amount</b>			
Balance as at 1 April 2020	212	167	379
Additions	7	-	7
Disposals	-	-	-
Balance as at 31 March 2021	219	167	386
Additions	-	-	-
Disposals	-	(35)	(35)
Balance as at 31 March 2022	219	132	351
<b>Accumulated depreciation</b>			
Balance as at 1 April 2020	102	47	149
Depreciation expense	42	49	91
Disposals	-	-	-
Balance as at 31 March 2021	143	97	240
Depreciation expense	32	39	71
Disposals	-	(23)	(23)
Balance as at 31 March 2022	175	113	288
<b>Net carrying amount</b>			
As at 31 March 2021	76	70	146
As at 31 March 2022	44	19	63

5.1 Refer note 39 for additional information about leases

## 6 Other intangible assets

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Carrying amounts of:</b>		
Software	48	23
	48	23

  

Particulars	Software
<b>Gross carrying amount</b>	
Balance as at 1 April 2020	105
Additions	11
Disposals	-
Balance as at 31 March 2021	116
Additions	37
Disposals	-
Balance as at 31 March 2022	153
<b>Accumulated amortisation</b>	
Balance as at 1 April 2020	79
Amortisation expense	14
Disposals	-
Balance as at 31 March 2021	93
Amortisation expense	12
Disposals	-
Balance as at 31 March 2022	105
<b>Net carrying amount</b>	
As at 31 March 2021	23
As at 31 March 2022	48

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 7 Non-current investments

Particulars	Face value per share	As at 31 March 2022		As at 31 March 2021	
		No. of Shares	Amount	No. of Shares	Amount
<b>I. Quoted investments</b>					
<b>a. Investments in equity instruments at cost</b>					
<b>i. Subsidiary companies</b>					
Rane (Madras) Limited (refer note 7.1)	₹ 10	11,672,774	25,632	9,972,816	21,632
Rane Engine Valve Limited	₹ 10	3,683,054	9,480	3,683,054	9,480
Rane Brake Lining Limited (refer note 7.3)	₹ 10	3,867,440	2,965	3,687,440	1,838
<b>Total quoted investments</b>			<b>38,077</b>		<b>32,950</b>
<b>II. Unquoted investments</b>					
<b>a. Investments in equity instruments at cost</b>					
<b>i. Subsidiary companies</b>					
Rane Holdings America Inc.	\$ 1	20,000	10	20,000	10
Rane Holdings Europe GmbH	€ 1	25,000	19	25,000	19
Rane t4u Private Limited (refer note 7.4)					
a. In equity shares	₹ 10	17,749,174	910	1,167,000	127
b. In compulsorily convertible preference shares [Net of impairment ₹ 1781 lakhs (31 March 2021: ₹1,557 lakhs)]	₹ 10	27,850,000	312	27,850,000	1,228
<b>Share warrants</b>					
Rane (Madras) Limited (refer note 7.1)			-		1,000
Rane Engine Valve Limited (refer note 7.2)			375		-
<b>ii. Joint venture / associate entities</b>					
ZF Rane Automotive India Private Limited (Formerly known as Rane TRW steering systems Private Limited) (refer note 7.5)	₹ 10	4,281,740	2,285	4,369,123	2,332
Rane NSK Steering Systems Private Limited	₹ 10	8,771,000	1,012	8,771,000	1,012
<b>b. Investments in equity (designated as FVOCI)</b>					
Autotech Fund I, L.P (refer note 7.6)			4,452		4,452
Wellington Corporate Foundation	₹ 10	60	-	60	-
<b>Total unquoted investments</b>			<b>9,375</b>		<b>10,180</b>
<b>Total non-current investments</b>			<b>47,452</b>		<b>43,130</b>
Aggregate book value of quoted investments			38,077		32,950
Aggregate market value of quoted investments			73,572		76,084
Aggregate carrying value of unquoted investments			9,375		10,180
Aggregate amount of impairment in value of investments			(3,338)		(1,557)

#### Notes:

- 7.1 During the year ended 31 March, 2022, the Company acquired 16,99,958 equity shares of ₹ 10 each fully paid up in Rane (Madras) Limited ("RML") pursuant to conversion of 16,99,958 warrants for an aggregate consideration of ₹4,000 lakhs (including the warrant exercise price of ₹3,000 Lakhs).
- 7.2 During the year ended 31 March 2022, Rane Engine Valve Limited, subsidiary company ("REVL"), allotted on a preferential basis to the Company, 5,15,463 share warrants at a an issue price of ₹291/- each, compulsorily convertible into 5,15,463 equity shares having a face value of ₹10/- each, upon payment of the total consideration of ₹1,500 lakhs in one or more tranches. The Company had paid 25% of the above issue price amounting to ₹375 lakhs during the year towards subscription of the said share warrants.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

As on 31 March, 2022, the company has compared the carrying value of its investment in a subsidiary with the market value of such investment and noted the need for impairment assessment. Consequently, the management has assessed the recoverable amount of the investment in subsidiary based on the present value of the future cash flows expected to be derived from the investment. The recoverable amount is established to be higher than the carrying amount of investment and hence no impairment was required to be recognised as at 31 March, 2022.

- 7.3 During the year ended 31 March 2022, the Company has acquired 1,80,000 equity shares of Rane Brake Lining Limited ("RBL"), a subsidiary company at prevailing market prices aggregating to ₹1,127 Lakhs through the Open market purchase.
- 7.4 During the year ended 31 March 2022, the Company has acquired 2,45,574 equity shares of Rane t4u Private Limited ("Rt4u"), a subsidiary company for a cash consideration of ₹14 Lakhs from existing shareholders of Rt4u and has acquired 1,63,33,660 equity shares by subscribing to Rights Issue(s) for an aggregate consideration of ₹1634 Lakhs.

As per requirements of Ind AS 36, the Company has assessed the recoverable value of its total investment, loans and other financial assets in its subsidiary and has accordingly recorded for an impairment loss amounting to ₹1,781 lakhs during the year ended 31 March 2022 (31 March 2021 ₹1,557 Lakhs). In order to carry out this assessment, the management determined the recoverable value of investments, based on the fair value less cost to sell model. This involved significant judgements and estimates including determination of comparable companies and transactions, implied market multiples and projected revenue.

The key assumptions used in the estimation of the recoverable value are set out below:

Assumptions	
Enterprise value to sales multiple	1.08
Projected revenue growth rate	43%

The changes in the following assumptions in isolation of other assumptions and used in the impairment assessment would lead to a change in the fair value less cost to sell and consequently an additional impairment as at 31 March 2022 as noted below:

Particulars	Amount
Decrease in enterprise value to sales multiple by 10%	68
Decrease in projected revenue by 10%	21

- 7.5 On 30 December 2021, the company's transferred 87,383 (nos.) equity shares representing 1% of the total shareholding in ZF Rane Automotive India Private Limited ("ZRAI") a joint venture/associate entity for a consideration of ₹2,016 Lakhs. Corresponding gain from such transfer aggregating to Rs. 1,970 Lakhs has been disclosed as 'Other income' (refer note: 27).
- 7.6 The Company designated the investments shown below as equity investments at FVOCI because these equity instruments represent investments that the Company intends to hold for long-term for strategic purposes.

Particulars	Fair value at 31 March 2022	Dividend recognised during the year 2021-22	Fair value at 31 March 2021	Dividend recognised during the year 2020-21
Investment in AutoTech Fund I, L.P. ("AutoTech")	4,452	-	4,452	-

During the year ended 31 March 2022, the Company had invested an amount of ₹168 lakhs (₹680 Lakhs in 31 March 2021) in AutoTech towards its share of capital contribution as one of the limited partners in the fund. During the current year, the company has received an amount of ₹552 lakhs (₹232 Lakhs in 31 March 2021) from AutoTech towards its share of distribution of capital arising as a result of sale of investments held by AutoTech in some of the portfolio companies. The said amount has been reduced from the cost of investments.

## 8 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good				
Security deposits	4	4	-	-
Rent advance	-	-	5	5
Interest receivable	-	-	-	3
	4	4	5	8

- 8.1. The Company's exposure to credit risk and market risk are disclosed in note 41



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 9 Income tax assets (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Advance income-tax (net) (refer note 33)	420	398

### 10 Other non-current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
Capital advance	5	3
	5	3

### 11 Deferred tax assets / (liabilities) (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets	36	38
Deferred tax liabilities	(517)	(534)
Deferred tax assets / (liabilities)	(481)	(496)

#### For the year ended 31 March 2022

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
Deferred tax assets				
Provision for employee benefits	36	(1)	-	35
Leases (net)	2	(1)	-	1
	38	(2)	-	36
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(26)	7	-	(19)
Fair valuation on equity instruments through other comprehensive income	(508)	-	10	(498)
	(534)	7	10	(517)
Net Deferred tax assets / (liabilities)	(496)	5	10	(481)

#### For the year ended 31 March 2021

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
Deferred tax assets				
Provision for employee benefits	47	(11)	-	36
Leases (net)	-	2	-	2
	47	(9)	-	38
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	(33)	7	-	(26)
Fair valuation on equity instruments through other comprehensive income	(20)	-	(488)	(508)
	(53)	7	(488)	(534)
Net Deferred tax assets / (liabilities)	(6)	(2)	(488)	(496)

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 12 Current investments

Particulars	As at 31 March 2022			As at 31 March 2021		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
<b>Unquoted investments</b>						
Investment in mutual fund - mandatorily measured at FVTPL						
- Aditya Birla Sun Life Liquid Fund - Growth	-	-	-	329	33,924	112
- Nippon India Liquid Fund - Growth Plan	-	-	-	4,997	2,981	149
- SBI Liquid Fund Regular Growth	-	-	-	3,203	371	12
<b>Total unquoted investments</b>			-			273
Aggregate book value of unquoted investments			-			273
Aggregate market value of unquoted investments			-			273
Aggregate amount of impairment in value of investments			-			-

### 13 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivable - considered good, unsecured		
i. Related parties (refer note 40)	468	1,166
ii. Others	-	-
Trade receivable - credit impaired	-	-
	468	1,166

#### 13.1 Trade receivables as at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	147	-	-	-	-	147
(ii) Disputed Trade receivables – considered good	-	-	-	-	-	-
Amount Not Due	311	-	-	-	-	311
	458	-	-	-	-	458
Unbilled						10

\* Amount not due was shown under less than 6 Months

#### 13.2 Trade receivables as at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months*	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	42	-	-	-	-	42
(ii) Disputed Trade receivables – considered good	-	-	-	-	-	-
Amount Not Due	1,124	-	-	-	-	1,124
	1,166	-	-	-	-	1,166
Unbilled						-

\* Amount not due was showed under less than 6 months

#### Note:

The Company's receivables are wholly from its subsidiary companies associate and Joint venture/associate entities. The Company did not have any history of bad debts in earlier years in respect of the receivables from the subsidiaries and Joint venture/associates entities. Further, the Company has assessed

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

that there is no credit risk and thus no allowance for impairment of trade receivables was required to be recognised.

#### 14 a. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	1	-
Balances with banks in		
Current account	33	38
<b>Total</b>	<b>34</b>	<b>38</b>

#### b. Bank balances other than above

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks in earmarked accounts - unclaimed dividend	46	52
<b>Total</b>	<b>46</b>	<b>52</b>

#### 15 Loans

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
Loan to employees	2	1
Loan to related party (refer note 34 and 40)	-	300
<b>Total</b>	<b>2</b>	<b>301</b>

15.1. The Company's exposure to credit risk and market risk are disclosed in note 41

15.2. Amount outstanding as at the Balance sheet date and percentage of such loans and advances to the total loans and advances

Particulars	As at 31 March 2022		As at 31 March 2021	
	Amount of loan outstanding	Percentage to the total Loans	Amount of loan outstanding	Percentage to the total Loans
Related Parties	-	-	300	99.79%

#### 16 Other current assets

Particulars	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good		
Prepaid expenses	235	282
Advance to suppliers	9	-
Assets relating to employee benefits - Gratuity (refer note 36)	38	15
Advances to employees	3	-
Others	25	165
<b>Total</b>	<b>310</b>	<b>462</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 17 Equity Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>a. Authorised share capital:</b>		
Equity shares:		
1,50,00,000 (31 March 2021: 1,50,00,000) equity shares of ₹ 10 each	1,500	1,500
Preference shares:		
50,00,000 (31 March 2021: 50,00,000) preference shares of ₹ 10 each	500	500
<b>b. Issued share capital:</b>		
1,42,77,809 (31 March 2021: 1,42,77,809) equity shares of ₹ 10 each	1,428	1,428
<b>c. Subscribed share capital:</b>		
1,42,77,809 (31 March 2021: 1,42,77,809) equity shares of ₹ 10 each fully paid-up	1,428	1,428
	1,428	1,428

#### 17.1 Reconciliation of number of shares

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
At the beginning and end of the period	1,42,77,809	1,428	1,42,77,809	1,428

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 17.2 Shares held by promoters at the end of the year

Promoter name	As at 31 March 2022		As at 31 March 2021		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Raman T G G	1,484,056	10.39%	1,484,056	10.39%	0.00%
Ganesh L & Meenakshi Ganesh	719,096	5.04%	712,196	4.99%	0.05%
Lakshman L & Pushpa Lakshman	702,560	4.92%	702,560	4.92%	0.00%
Rathika R Sundaresan	625,066	4.38%	625,066	4.38%	0.00%
Geetha Raman Subramanyam	625,065	4.38%	625,065	4.38%	0.00%
Ranjini R Iyer	625,065	4.38%	625,065	4.38%	0.00%
Meenakshi Ganesh & Ganesh L	305,430	2.14%	305,430	2.14%	0.00%
Vanaja Aghoram	275,635	1.93%	275,635	1.93%	0.00%
Lakshman L (HUF)	216,986	1.52%	216,986	1.52%	0.00%
Pushpa Lakshman & Lakshman L	195,199	1.37%	195,199	1.37%	0.00%
Ganesh L (HUF)	191,907	1.34%	191,907	1.34%	0.00%
Shanthi Narayan	144,924	1.02%	144,924	1.02%	0.00%
Harish Lakshman	139,817	0.98%	124,817	0.87%	0.11%
Aditya Ganesh	114,281	0.80%	114,281	0.80%	0.00%
Vinay Lakshman	106,698	0.75%	106,698	0.75%	0.00%

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Promoter name	As at 31 March 2022		As at 31 March 2021		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Aparna Ganesh	68,511	0.48%	68,511	0.48%	0.00%
Rama R Krishnan	61,452	0.43%	61,452	0.43%	0.00%
Malavika Lakshman	21,222	0.15%	18,722	0.13%	0.02%
Rekha Sundar	15,610	0.11%	15,610	0.11%	0.00%
Chitra Sundaresan	8,109	0.06%	8,109	0.06%	0.00%
Pravin Kumar	2,800	0.02%	2,800	0.02%	0.00%
Keshav Harish Lakshman	100	0.00%	100	0.00%	0.00%

### 17.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company:

Class of shares / Name of the share holder	As at 31 March 2022		As at 31 March 2021	
	No of shares held	% of holding in shares	No of shares held	% of holding in shares
<b>Fully paid up equity shares</b>				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Ganesh L & Meenakshi Ganesh	7,19,096	5.04%	7,12,196	4.99%
3. Sundaram Mutual Fund	2,16,660	1.52%	10,12,935	7.09%

### 17.4 Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buyback of shares.

## 18 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve	31,526	31,526
Securities premium	4,433	4,433
Capital redemption reserve	550	550
Retained earnings	10,616	7,217
Equity instruments through OCI	1,990	1,702
	<b>49,115</b>	<b>45,428</b>

### a. General reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	31,526	31,526
Balance at the end of the year	<b>31,526</b>	<b>31,526</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 (the Act) and rules made thereunder.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### b. Securities premium

Particulars	As at 31 March 2022	As at 31 March 2021
Securities premium	4,433	4,433
	<b>4,433</b>	<b>4,433</b>

Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

#### c. Capital redemption reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve	550	550
	<b>550</b>	<b>550</b>

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

#### d. Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	7,217	7,603
Profit for the year	3,388	136
Other comprehensive income arising from remeasurement of defined benefit obligation, (net of tax)	11	49
Payment of dividends	-	(571)
Balance at the end of the year	<b>10,616</b>	<b>7,217</b>

The above represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. The balance in retained earnings can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013 and other local laws.

Balance of retained earnings at the end of the year includes cumulative other comprehensive loss arising from remeasurement of defined benefit obligations, net of tax, amounting to ₹22 lakhs as at 31 March 2022 (31 March 2021: ₹33 lakhs)

In respect of the year ended 31 March, 2022, the directors proposed a dividend of ₹ 12 per share be paid to all holders of 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 total estimated equity dividend to be paid is ₹1,713 Lakhs.

#### e. Equity instruments through OCI

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,702	412
Net gain/(loss) Equity instruments through OCI (net of tax)	288	1,290
Balance at the end of the year	<b>1,990</b>	<b>1,702</b>

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity. The Company transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 19 Borrowings

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Term loans				
From banks				
Secured loans	482	819	536	500
From others				
Secured loans	5,150	5,791	750	582
	5,632	6,610	1,286	1,082

#### Summary of borrowing arrangements

Particulars	As at 31 March 2022	As at 31 March 2021	Details
1. Term loan from Tata Capital Financial Services Limited [TCFSL] (Loan 2)	-	273	The loan was availed during the year ended 31 March 2020. The loan is repayable in 11 equal quarterly Installments commencing from January 2020. During the year ended 31 March 2022, the company made a prepayment in addition to regular repayment Installments and closed the loan
2. Term loan from Tata Capital Financial Services Limited [TCFSL] (Loan 3)	-	600	The loan was availed during the year ended 31 March 2020. The loan is repayable in 10 equal quarterly Installments commencing from June 2020. During the year ended 31 March 2022, the company made a prepayment in addition to regular repayment Installments and closed the loan
3. Term loan from Federal Bank Limited (Loan 1)	461	692	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly Installments commencing from June 2020 with 12 months of moratorium period.
4. Term loan from Federal Bank Limited (Loan 2)	377	627	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly Installments commencing from September 2020 with 12 months of moratorium period.
5. Term loan from Axis Finance Limited	5,900	5,500	The Company has availed the Term loan of ₹ 5,900 Lakhs in multiple tranches from Axis Finance Limited. The loan is repayable in 20 unequal quarterly Installments commencing from September 2022 with 18 months of moratorium period.
6. HDFC Bank Limited	180	-	During the year ended 31 March 2022, the Company has availed the term Loan of ₹ 180 Lakhs from HDFC Bank Limited. The loan is repayable in 20 equal quarterly Installments commencing from June 2022.
Less: Current maturities	(1,286)	(1,082)	
<b>Total</b>	<b>5,632</b>	<b>6,610</b>	

The interest rate range from 5.79% p.a to 9.65% p.a (31 March 2021: 5.72% p.a to 9.65% p.a).

The term loans outstanding as at 31 March 2022 which are availed from Federal Bank Limited and HDFC Bank Limited are secured by a Pari-passu charge created on the Company's land located at Teynampet, Chennai and loan availed from Axis Finance Limited is secured by a first charge created on the Company's land and building located at Perungudi, Chennai.

#### Utilisation of borrowed funds and share premium

Term loans were applied for the purpose for which the loans were obtained.

The Company has not been declared as wilful defaulters by any Bank or Financial institutions or government or any government authority.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### Breach of loan agreement

There is no breach of loan agreements.

#### Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	7,692	3,297
Changes from financing cash flows		
Repayment of Borrowings	(1,373)	(1,264)
Proceeds from Borrowings	599	5,658
Others	-	1
Closing balance	6,918	7,692

#### 20 Lease liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Lease Liability (refer note 39)	10	76	56	76
	10	76	56	76

#### 21 Other financial liabilities

Particulars	Current	
	As at 31 March 2022	As at 31 March 2021
Employee related dues	169	21
Commission payable	94	59
Unclaimed dividends	46	52
Capital creditors (refer note 21.4 and note 22.1.a)	159	5
Interest accrued but not due on borrowings	1	4
Others (refer note 21.1)	59	61
	528	202

21.1 Others include an accrued amount of ₹59 Lakhs in the earlier years towards arrears of lease rent for the land taken under lease.

21.2 The Company doesn't have any non current other financial liabilities

21.3 The Company's exposure to credit and liquidity risk related to other financial liability is disclosed in note 41

21.4 Capital creditors includes an amount of ₹ 135 lakhs (31 March 2021 : ₹ Nil ) due to Micro Small and Medium Enterprises

#### 22 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
a. Total outstanding dues of micro enterprises and small enterprises	79	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	171	217
	250	217

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) there are no dues pending more than 45 days to micro and small enterprises as at 31 March 2021 and as at 31 March 2022

The Company's exposure to credit and liquidity risk related to trade payables is disclosed in note 41

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	As at 31 March 2022				
	Outstanding for following periods from due date of payment*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	79	-	-	-	79
(ii) Others	123	-	-	-	123
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
	202	-	-	-	202
Unbilled Dues					48

Particulars	As at 31 March 2021				
	Outstanding for following periods from due date of payment*				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	180	-	-	-	180
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
	180	-	-	-	180
Unbilled Dues					37

### 22.1 Micro and Small Enterprises :

Particulars	As at 31 March 2022	As at 31 March 2021
The amount remaining unpaid to any supplier at the end of year;		
- Principal	214	-
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:	-	-
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under the MSMED Act:	-	-
The amount of interest accrued and remaining unpaid at the end of year;	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

22.1.a. Amount due to MSME as on 31 March 2022 ₹214 Lakhs (31 Mar 2021 - ₹ Nil ) represents amount payable towards trade payables of ₹79 lakhs (31 March 2021 - ₹ Nil) and amount due to capital creditors ₹135 lakhs (31 March 2021 - ₹ Nil)

### 23 Provisions

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for leave encashment	122	100	44	44
	122	100	44	44

### 24 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Current tax liabilities (net)	-	250
	-	250

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 25 Other current liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory dues	151	175
	<b>151</b>	<b>175</b>

#### 26 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Service fee	3,317	2,809
Trade mark fee	3,880	2,944
Dividend income	1,683	755
	<b>8,880</b>	<b>6,508</b>

The table below presents disaggregated revenues from contracts with customers based on location of the customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Revenue by geography</b>		
1. India	8,700	6,477
2. Outside India	180	31
<b>Total revenue from contracts with customers</b>	<b>8,880</b>	<b>6,508</b>

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

#### 27 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gain on current investments mandatorily measured at FVTPL	17	14
Gain on disposal of property, plant and equipment (net)	8	-
Interest income earned on financial assets	-	-
Interest on bank deposit	-	2
Interest on loan	48	3
Interest on tax refund	-	31
Income relating to financial guarantees	-	30
Other non-operating income	1	11
Profit on sale of non current investment(refer note 7.5)	1,970	-
	<b>2,044</b>	<b>91</b>

#### 28 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries, wages and bonus	1,473	1,114
Contribution to:		
Provident and other fund (refer note 36)	82	77
Superannuation fund (refer note 36)	23	19
National pension scheme	24	23
Gratuity fund (refer note 36)	30	37
Staff welfare expenses	69	39
	<b>1,701</b>	<b>1,309</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 29 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest costs:		
- Interest on loans	569	297
- Interest on lease liabilities	9	12
- Other interest	12	-
	590	309

### 30 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation on property, plant and equipment	226	201
Depreciation of right-of-use assets	71	91
Amortisation of intangible assets	12	14
	309	306

### 31 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Power and fuel	31	27
Rent expense (Refer note 39)	14	13
Travelling and conveyance	47	19
Repairs and maintenance		
- Buildings	113	77
- Others	45	49
Insurance	95	76
Rates and taxes	26	33
Payment to auditors (Refer note 31.1)	19	19
Directors' sitting fees	15	2
Information systems expenses	675	654
Loss on disposal of property, plant and equipment (net)	-	1
Professional charges	468	404
Corporate social responsibility expenditure (Refer note 31.2)	51	55
Chairman emeritus & CMD commission (Refer note 40)	94	112
Miscellaneous expenses	84	79
	1,777	1,620

#### 31.1 Payment to auditors (excluding taxes)\*

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
For statutory audit	12	12
For taxation matters	1	1
For limited review	5	4
For certification fee	1	2
	19	19

\* includes amount of ₹ Nil (31 March 2021: ₹ 3 lakhs) paid / payable to a firm other than B S R & Co. LLP.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 31.2 Amount Spent on Corporate social responsibility activities

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
(i) Amount required to be spent by the company during the year	51	55
(ii) Amount of expenditure incurred (including carry forward from earlier periods)		
(a) Construction/acquisition of any asset	-	-
(b) On purposes other than (a) above		
(i) Promotion of Education	-	68
(ii) Healthcare	1	39
(iii) Community Development	-	3
(iv) Others	1	-
(v) Utilisation of carry forward from earlier periods	55	-
(iii) shortfall/(excess) at the end of the year	(6)	(55)
(iv) total of previous year's shortfall	-	-
(v) reason for shortfall	NA	NA
(vi) details of related party transactions	Refer note 31.2.1	Refer note 31.2.1
(vii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

31.2.1. The above expenditure includes contribution to Rane Foundation of ₹ Nil (31 March 2021 ₹ 68 Lakhs)

#### 31.3 Other Statutory requirements

- a. The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- b. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- c. The Company has no transactions with struck off companies during the year
- d. The Company has not advanced or loaned funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  1. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  2. Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- e. The Company has not received any fund from any persons or entities, including foreign entities with the understanding that the Company shall:
  1. Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  2. Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 32 Ratios

Ratio	Numerator	Denominator	31 March 2022	31 March 2021	% Variance
(i) Current Ratio	Current Assets	Current Liabilities	0.37	1.12	-67%
(ii) Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.14	0.16	-17%
(iii) Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	2.99	1.38	116%
(iv) Return on equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	6.96%	0.29%	2280%
(v) Inventory turnover ratio	Cost of goods sold OR sales	Average inventory	NA	NA	NA
(vi) Trade Receivables turnover ratio	Net Credit Sales	Average Accounts Receivable	8.81	5.47	61%
(vii) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	7.61	10.09	-25%
(viii) Net capital turnover ratio	Net Sales	working capital	(6.12)	25.65	-124%
(ix) Net profit ratio	Net profit	Net sales	38.15%	2.08%	1730%
(x) Return on Capital employed	Earning before interest and taxes	Capital employed	9.24%	3.28%	182%
(xi) Return on Investment	Income generated from Mutual fund investment	Investment in mutual fund	3.30%	3.30%	0%

Reason for variance >25%

During FY 2020-21 profitability was lower due to Covid-19, hence variance was more than 25% for all the above ratios.

### 33 Tax reconciliation:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax</b>		
In respect of current year	1,306	589
In respect of earlier years (Refer note 33.1)	77	771
<b>Current tax recognised in profit or loss</b>	<b>1,383</b>	<b>1,360</b>
<b>Deferred tax</b>		
In respect of current year	(5)	2
Deferred tax recognised in profit or loss	(5)	2
<b>Income tax recognised in profit or loss</b>	<b>1,378</b>	<b>1,362</b>

#### Reconciliation of effective tax rate

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Profit before tax</b>	<b>4,766</b>	<b>1,498</b>
Income tax expense calculated at 25.168% (2020-21: 25.168%)	1,200	377
Effect of income chargeable at special rates	(68)	-
<b>Effect of:</b>		
Dividend from subsidiaries and joint venture/associate entities	(424)	(190)
Non-deductible expense	593	404
Current tax for earlier years	77	771
<b>Income tax expense recognised in profit or loss</b>	<b>1,378</b>	<b>1,362</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### Income tax recognised in other comprehensive income:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
i. Current tax	(110)	(48)
ii. Deferred tax	10	(488)
<b>Income tax recognised in other comprehensive income</b>	<b>(100)</b>	<b>(536)</b>

33.1 In previous year 31 March 2021 Tax provision Includes amount pertaining to pending income tax litigations for certain assessment years, which the Company has opted to settle under the Vivad Se Vishwas scheme. In view of this, the Company has created a provision of ₹733 lakhs towards income-tax in respect of earlier years

#### 34 Disclosure under Section 186(4) of the Companies Act, 2013 and as per Regulation 34(3) read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulation, 2015

##### (i) Loans

Particulars	31 March 2022	31 March 2021
Opening balance	300	-
Given during the year	465	300
Repaid during the year	(765)	-
<b>Closing balance</b>	<b>-</b>	<b>300</b>

The Company had given loan to Rane t4u Private Limited. As per the terms of the agreement, the loan is to be utilised to meet the working capital requirements of the subsidiary. The loan carries an interest of 9% p.a and is repayable at the end of one year from the date of such loan.

##### (ii) Interest accrued on loan

Particulars	31 March 2022	31 March 2021
Opening balance	3	-
Interest for the year	48	3
Interest received during the year	(51)	-
<b>Closing balance</b>	<b>-</b>	<b>3</b>

The maximum amount of loan outstanding and interest on loan at any point in time during the year was ₹ 765 lakhs and ₹ 25 lakhs respectively.

#### 35 Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Claims against the Company not acknowledged as debts</b>		
Income tax matters	112	95
Customs matters	6	6

##### 35.a Commitments and guarantees

Particulars	As at 31 March 2022	As at 31 March 2021
Estimated amount of contracts remaining to be executed on capital account (net of advance)	125	14
Uncalled liability on investment in Auto Tech I, L.P	360	515
Balance amount payable towards preferential allotment of shares warrants issued by REVL	1,125	-
Balance amount payable towards preferential allotment of shares warrants issued by RML	-	3,000

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 36 Employee benefit plans

#### A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

##### (a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

##### (b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Company contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹ 105 Lakhs (for the year ended 31 March 2021: ₹ 96 Lakhs) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2022, contributions of ₹ 18 Lakhs (as at 31 March 2021: ₹ 16 Lakhs) had not been paid. The amounts were paid subsequent to the end of the respective reporting periods.

#### B. Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The following table summarises the position of assets and obligations relating to the plans:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of defined benefit obligation	598	535
Fair value of plan assets	636	550
Net (asset) / liability recognised in the balance sheet	(38)	(15)
Non-current liability/(asset)	-	-
Current liability/(asset)	(38)	(15)

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### (i) Movement in present values of defined benefit obligations

Particulars	As at 31 March 2022	As at 31 March 2021
Opening defined benefit obligation	535	551
Current service cost	32	36
Interest cost	39	36
Actuarial (gain) / loss	(13)	(65)
Transfer In	50	-
Transfer Out	(31)	-
Benefits paid	(14)	(23)
Closing defined benefit obligation	598	535

#### (ii) Movements in the fair value of the plan assets

Particulars	As at 31 March 2022	As at 31 March 2021
Opening fair value of plan assets	550	527
Interest income	41	35
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	2	1
Contributions from the employer	38	10
Transfer In	50	-
Transfer Out	(31)	-
Benefits paid	(14)	(23)
Closing fair value of plan assets	636	550

#### (iii) Amounts recognised in statement of profit and loss and Other comprehensive income in respect of these defined benefit plans are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Current service cost	32	36
Net interest (income)/expense	(2)	1
Components of defined benefit costs recognised in profit or loss	30	37
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)	(2)	(1)
Actuarial (gains) / losses on plan obligations	(13)	(65)
Components of defined benefit costs recognised in other comprehensive income	(15)	(66)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

#### (iv) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at 31 March 2022	As at 31 March 2021
Discount rate	7.30%	6.90%
Salary escalation	8.00%	8.00%
Attrition	3.00%	3.00%

#### Notes:

- The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- The entire plan assets are managed by Life Insurance Corporation of India (LIC).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### Sensitivity analysis

Change in assumption	31 March 2022	31 March 2021
<b>A. Discount rate + 50 BP</b>	<b>7.80%</b>	<b>7.40%</b>
Defined Benefit Obligation	586	525
Current service cost	35	31
<b>B. Discount rate - 50 BP</b>	<b>6.80%</b>	<b>6.40%</b>
Defined Benefit Obligation	609	549
Current service cost	37	33
<b>C. Salary escalation rate +50 BP</b>	<b>8.50%</b>	<b>8.50%</b>
Defined Benefit Obligation	609	549
Current service cost	37	33
<b>D. Salary escalation rate -50 BP</b>	<b>7.50%</b>	<b>7.50%</b>
Defined Benefit Obligation	586	525
Current service cost	34	31
<b>E. Attrition rate +50 BP</b>	<b>3.50%</b>	<b>3.50%</b>
Defined Benefit Obligation	597	536
Current service cost	36	32
<b>F. Attrition -50 BP</b>	<b>2.50%</b>	<b>2.50%</b>
Defined Benefit Obligation	598	537
Current service cost	36	32

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition. The sensitivity analyses have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

### Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 4.2 years (2021 - 4.8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2022	31 March 2021
Year 1	300	265
Year 2	98	91
Year 3	13	18
Year 4	65	9
Year 5	16	29
Next 5 years	170	137

### 37 Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit attributable to the equity holders (₹ Lakhs)	3,388	136
Weighted average number of equity shares	1,42,77,809	1,42,77,809
a. Basic Earning per share (₹)	23.73	0.95
b. Diluted Earnings per share (₹)	23.73	0.95

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 38 Segment reporting

The Company holds strategic investments in subsidiaries and Joint venture/associates (collectively called "the Group") that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group. Segment reporting information is provided in Consolidated financial statement of the Group.

#### 39 Leases

##### A. The following is the breakup of current and non current lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	56	76
Non-current lease liabilities	10	76
<b>Total</b>	<b>66</b>	<b>152</b>

##### B. The following is the movement in lease liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Balance as on 1 April 2021 / 2020	152	227
Additions/(Deletions)	(13)	7
Finance costs accrued during the year	9	12
Payment of lease liabilities	(82)	(94)
<b>Balance as on 31 March 2022 / 2021</b>	<b>66</b>	<b>152</b>

##### C. The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2022 on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	60	82
One to five years	10	77
<b>Total</b>	<b>70</b>	<b>159</b>

##### D. Amounts recognized in statement of profit and loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	9	12
Expenses relating to short-term leases recognised in other expenses	14	13

##### E. Amounts recognized / disclosed in Cash flow statement

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Total cash outflows for leases	82	94



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 40 Related party disclosures

Description of relationship	Name of the related party
List of related parties where control exists - Subsidiaries	Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane Holdings America Inc. Rane (Madras) International Holdings B.V Rane Light Metal Castings Inc Rane Holdings Europe GmbH Rane t4u Private Limited
Joint venture/associate entities	ZF Rane Automotive India Private Limited(Formerly known as Rane TRW steering systems Private Limited) Rane NSK Steering Systems Private Limited
Other related parties where transactions have taken place	
Key Management Personnel (KMP)	Mr. L Ganesh Mr. Harish Lakshman
Relative of KMP	Mr. L Lakshman
Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
Post employment benefit plans	Rane Holdings Limited Gratuity Fund Rane Holdings Limited Senior Executives Superannuation Fund

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(All amounts are in INR lakhs unless otherwise stated)

## Details of related party transactions and balances:

Description	Subsidiaries		Joint venture/ associate entities		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Transaction during the year</b>												
<b>Investment made</b>												
Rane (Madras) Limited	3,000	5,530	-	-	-	-	-	-	-	-	-	-
Rane t4u Private Limited	1,641	-	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	375	-	-	-	-	-	-	-	-	-	-	-
<b>Loan given</b>												
Rane t4u Private Limited	465	300	-	-	-	-	-	-	-	-	-	-
<b>Loan repaid</b>												
Rane t4u Private Limited	765	-	-	-	-	-	-	-	-	-	-	-
<b>Interest income</b>												
Rane t4u Private Limited	48	3	-	-	-	-	-	-	-	-	-	-
<b>Service fees income</b>												
Rane (Madras) Limited	946	755	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	391	354	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	406	378	-	-	-	-	-	-	-	-	-	-
Rane Light Metal Castings America Inc	30	31	-	-	-	-	-	-	-	-	-	-
ZF Rane Automotive India Private Limited	-	-	810	757	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	734	534	-	-	-	-	-	-	-	-
<b>Trademark fee income</b>												
Rane (Madras) Limited	766	538	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	187	149	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	251	211	-	-	-	-	-	-	-	-	-	-
ZF Rane Automotive India Private Limited	-	-	1,275	982	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	1,401	1,064	-	-	-	-	-	-	-	-
<b>Dividend received</b>												
Rane Brake Lining Limited	922	406	-	-	-	-	-	-	-	-	-	-

Description	Subsidiaries		Joint venture/ associate entities		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
ZF Rane Automotive India Private Limited	-	-	612	350	-	-	-	-	-	-	-	-
Rane Holdings America Inc.	149	-	-	-	-	-	-	-	-	-	-	-
<b>Income relating to financial guarantees</b>												
Rane (Madras) Limited	-	30	-	-	-	-	-	-	-	-	-	-
<b>Fee paid for services received</b>												
Rane Foundation	-	-	-	-	-	-	-	-	5	-	-	-
<b>Salary and other perquisites</b>												
L Ganesh	-	-	-	-	204	186	-	-	-	-	-	-
Harish Lakshman	-	-	-	-	79	78	-	-	-	-	-	-
<b>Commission</b>												
L Ganesh	-	-	-	-	94	56	-	-	-	-	-	-
L Lakshman	-	-	-	-	-	-	-	56	-	-	-	-
<b>Sitting fees</b>												
L Lakshman	-	-	-	-	-	-	1	-	-	-	-	-
<b>Advisory fee</b>												
L Lakshman	-	-	-	-	-	-	106	100	-	-	-	-
<b>Reimbursement of expenses from</b>												
Rane (Madras) Limited	56	1	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	19	-	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	34	-	-	-	-	-	-	-	-	-	-	-
ZF Rane Automotive India Private Limited	-	-	21	-	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	34	-	-	-	-	-	-	-	-	-
Rane Light Metal Castings America Inc	2	2	-	-	-	-	-	-	-	-	-	-
Rane t4u Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses to</b>												
Rane (Madras) Limited	-	7	-	-	-	-	-	-	-	-	-	-
ZF Rane Automotive India Private Limited	-	-	2	1	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	10	-	-	-	-	-	-	-	-	-	-	-
<b>CSR contributions to</b>												

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

for the year ended 31 March 2022

(All amounts are in INR lakhs unless otherwise stated)

Description	Subsidiaries		Joint venture/ associate entities		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rane Foundation	-	-	-	-	-	-	-	-	-	68	-	-
<b>Contribution to post employment benefit plan</b>												
Rane Holdings Limited Gratuity Fund	-	-	-	-	-	-	-	-	-	-	30	37
Rane Holdings Limited Senior Executives Superannuation Fund	-	-	-	-	-	-	-	-	-	-	23	19
Description	Subsidiaries		Joint venture/ associate entities		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Balance as at 31 March												
Commission payable												
L Ganesh	-	-	-	-	94	56	-	-	-	-	-	-
L Lakshman	-	-	-	-	-	-	-	3	-	-	-	-
Loan receivable												
Rane t4u Private Limited	-	300	-	-	-	-	-	-	-	-	-	-
Interest receivable												
Rane t4u Private Limited	-	3	-	-	-	-	-	-	-	-	-	-
Trade receivables												
Rane (Madras) Limited	98	168	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	92	236	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	15	55	-	-	-	-	-	-	-	-	-	-
Rane Light Metal Castings America Inc	17	19	-	-	-	-	-	-	-	-	-	-
ZF Rane Automotive India Private Limited	-	-	107	308	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	139	380	-	-	-	-	-	-	-	-
Rane t4u Private Limited	-	-	-	-	-	-	-	-	-	-	-	-
Investment in equity shares												

Description	Subsidiaries		Joint venture/ associate entities		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Rane (Madras) Limited	25,632	21,632	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	9,480	9,480	-	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited	2,965	1,838	-	-	-	-	-	-	-	-	-	-
Rane t4u Private Limited (refer note 7.4)	910	127	-	-	-	-	-	-	-	-	-	-
Rane Holdings America Inc.	10	10	-	-	-	-	-	-	-	-	-	-
Rane Holdings Europe GmbH	19	19	-	-	-	-	-	-	-	-	-	-
ZF Rane Automotive India Private Limited	-	-	2,285	2,332	-	-	-	-	-	-	-	-
Rane NSK Steering Systems Private Limited	-	-	1,012	1,012	-	-	-	-	-	-	-	-
Investment in compulsorily convertible preference shares												
Rane t4u Private Limited (refer note 7.4)	312	1,228	-	-	-	-	-	-	-	-	-	-
Share warrants												
Rane (Madras) Limited	-	1,000	-	-	-	-	-	-	-	-	-	-
Rane Engine Valve Limited	375	-	-	-	-	-	-	-	-	-	-	-

#### Remuneration to Key Management Personnel

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short term benefits paid	359	311
Other Long term benefits paid	18	9
<b>Total</b>	<b>377</b>	<b>320</b>

Note: As the future liabilities of gratuity and compensated absences are provided on an actuarial basis for the company as a whole, the amounts pertaining to key managerial person is not ascertainable separately and therefore, not included above.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 41 Financial instruments

##### 41.1 Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalent as detailed in notes 19 and 14.a) and total equity of the Company.

##### 41.1.1 Gearing ratio

The gearing ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Debt *	6,918	7,692
Cash and cash equivalents	(34)	(38)
<b>Net debt</b>	<b>6,884</b>	<b>7,654</b>
<b>Total equity**</b>	<b>50,543</b>	<b>46,856</b>
Net debt to equity ratio (in times)	0.14	0.16

\* Debt is defined as long-term borrowings (including current maturities)

\*\* Equity includes all capital and reserve of the Company.

##### 41.2 Fair value measurements

###### Financial instrument by category

Particulars	As at 31 March 2022			As at 31 March 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Loans	-	-	2	-	-	301
Investments in equity instruments	-	4,452	-	-	4,452	-
Trade receivables	-	-	468	-	-	1,166
Cash and cash equivalents	-	-	34	-	-	38
Bank balances other than above	-	-	46	-	-	52
Other financial assets (excluding investments)	-	-	9	-	-	12
Mutual fund investments (mandatorily measured at FVTPL)	-	-	-	273	-	-
<b>Total Financial Assets</b>	<b>-</b>	<b>4,452</b>	<b>559</b>	<b>273</b>	<b>4,452</b>	<b>1,569</b>
<b>Financial liabilities</b>						
Borrowings	-	-	6,918	-	-	7,692
Trade payables	-	-	250	-	-	217
Lease liability	-	-	66	-	-	152
Other financial liabilities	-	-	528	-	-	202
<b>Total Financial Liabilities</b>	<b>-</b>	<b>-</b>	<b>7,762</b>	<b>-</b>	<b>-</b>	<b>8,263</b>

###### Note:

- Investment in subsidiaries joint venture / associate entities of ₹ 43,000 Lakhs (₹ 38,678 Lakhs) is shown at cost (net off impairment) in balance sheet as per the Ind AS 27 "Separate Financial Statements"
- The Company has not separately disclosed the fair values of financial instruments such as loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liability and other financial liabilities because their carrying amounts are at reasonable approximation of fair value.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

41.2.1 The below table summarises the fair value hierarchy of the financial assets/liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021	Fair Value Hierarchy (Level 1,2,3)*	Valuation technique
a. Mutual fund investments (unquoted) (mandatorily measured at FVTPL)	-	273	2	Fair value is determined based on Net Assets Value published by respective funds.
b. Investments in equity instruments measured at FVOCI	4,452	4,452	3	Fair value of the investment is determined based on the fair value of the net assets as furnished by the fund which return is determined using various significant unobservable inputs including the purchase price, developments concerning the investee company of the fund subsequent to acquisition, data and projections of investee company etc. The estimated fair value would increase or decrease depending upon changes to such inputs.
<b>Total</b>	<b>4,452</b>	<b>4,725</b>		

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

Particulars	Amount
Balance at 1 April 2020	2,195
Net change in fair value (unrealised)	1,809
(Sale) / Purchase (net)	448
Balance at 31 March 2021	4,452
Balance at 1 April 2021	4,452
Net change in fair value (unrealised)	384
(Sale) / Purchase (net)	(384)
Balance at 31 March 2022	4,452

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.

\* Fair value hierarchy (Level 1,2,3)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 41.3 Financial risk management

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk and liquidity risk.

### 41.4 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

The Company is exposed to equity price risks arising from its investments in equity investments. However all the equity investments in group companies are strategic in nature and held for long term period rather than for trading purposes.

#### 41.5 Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures.

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	In equivalent ₹ (Lakhs)	In Foreign Currency (Lakhs)	In equivalent ₹ (Lakhs)	In Foreign Currency (Lakhs)
<b>Financial assets</b>				
Investments - USD	4,452	59	4,452	61
Trade receivables - USD	17	0.22	19	0.25
<b>Total</b>	<b>4,469</b>	<b>59</b>	<b>4,471</b>	<b>61</b>

##### 41.5.1 Foreign currency sensitivity analysis

The following table details the Company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A negative number below indicates a decrease in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a opposite impact on the profit or equity.

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	Strengthening	Weakening	Strengthening	Weakening
<b>2021-22</b>				
USD	(1)	1	(223)	223
<b>2020-21</b>				
USD	(1)	1	(223)	223

#### 41.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

##### 41.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2022 would decrease / increase by ₹35 Lakhs (31 March 2021 ₹ 38 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowing.

#### 41.7 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

If the fair value had been 1% higher / lower, profit for the year ended 31 March 2022 would increase / decrease by ₹45 Lakhs (31 March 2021: ₹ 45 Lakhs) as a result of the changes in fair value of equity investments which have been irrevocably designated at FVOCI.

#### 41.8 Credit risk management

The Company's receivables are wholly from its subsidiary companies and Joint venture/associate companies. The Company did not have any history of bad debts in earlier years in respect of the receivables from the subsidiaries associate and Joint venture/associates. Further, the Company has assessed that there is no credit risk and thus no allowance for impairment of trade receivables was required to be recognised.

#### 41.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

##### 41.9.1 Liquidity and interest risk tables

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2022

Particulars	Carrying amount	Less than 1 year	1 - 5 years	5 or more years	Total contractual cash flows
Borrowings (including current maturities)	6,918	1,785	6,530	-	8,315
Trade payables	250	250	-	-	250
Lease liability	66	60	10	-	70
Other financial liabilities	528	528	-	-	528
<b>Total</b>	<b>7,762</b>	<b>2,623</b>	<b>6,540</b>	<b>-</b>	<b>9,163</b>

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2021

Particulars	Carrying amount	Less than 1 year	1 - 5 years	5 or more years	Total contractual cash flows
Borrowings (including current maturities)	7,692	1,653	6,220	1,611	9,484
Trade payables	217	217	-	-	217
Lease liability	152	82	77	-	159
Other financial liabilities	202	202	-	-	202
<b>Total</b>	<b>8,263</b>	<b>2,154</b>	<b>6,297</b>	<b>1,611</b>	<b>10,062</b>

41.a. Prior year figures have been classified wherever necessary to conform to current year's classification

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 42 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 26 May 2022.

See accompanying notes forming part of standalone financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**

Partner

Membership No.: 203491

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

Place: Chennai

Date: 26 May 2022

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary

# INDEPENDENT AUDITOR'S REPORT

To the Members of Rane Holdings Limited

Report on the Audit of the Consolidated Financial Statements

## Opinion

We have audited the consolidated financial statements of Rane Holdings Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint venture / associate entities, which comprise the consolidated balance sheet as at March 31, 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on consolidated financial statements of such subsidiaries and joint venture / associate entities as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture / associate entities as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

## Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture /

associate entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Emphasis of matters

We draw attention to:

- Note 9.2 to the consolidated financial statements, relating to one of the equity accounted investee companies, wherein the component auditor has included an emphasis of matter in their audit report on special purpose condensed Ind AS financial statements regarding such entity's management's assessment of the special warranty obligations pending the ongoing discussions and negotiations amongst relevant parties.
- Note 2.5.3 to the consolidated financial statements, which describes the economic and social consequences / disruption as a result of COVID-19 which impact matters relating to supply chain, customer demand, commodity prices, personnel available for work etc.

Our opinion is not modified in respect of these matters.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports other auditors on consolidated financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p><b>Impairment of assets relating to Rane Light Metal Castings Inc., USA ('LMCA') - a cash generating unit</b></p> <p>Refer note 2.12(ii) and 3 to the consolidated financial statements</p> <p>The Group has identified LMCA as a separate cash generating unit ('CGU'), which has a carrying value of INR 15,476 lakhs as at March 31, 2022.</p>	<p>In view of the significance of the matter, we applied the following audit procedures, in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policy for impairment as per relevant accounting standard.</li> <li>Assessed the design and implementation of key internal financial controls with respect to impairment of CGU and tested the operating effectiveness of such controls.</li> </ul>

The key audit matter	How the matter was addressed in our audit
<p>Due to significant losses incurred by LMCA, there is a risk that the carrying value of the CGU is higher than its recoverable value as at the year end, thereby triggering the impairment.</p> <p>The determination of the recoverable value of the CGU, which is based on discounted cash flows, involves significant judgements and estimates, including estimates of revenue growth rate, terminal growth rate, discount rate and also those related to the possible effects of COVID-19.</p> <p>We have identified the assessment of impairment of CGU as a key audit matter since it involves significant judgement in making the above estimates especially in view of the highly uncertain economic environment and hence the actual results may differ from those estimated at the date of approval of these financial statements.</p>	<ul style="list-style-type: none"> <li>Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the recoverable value of the CGU.</li> <li>Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Group.</li> <li>Evaluated the appropriateness of the key assumptions used in estimating future cash flows such as revenue growth rate, discount rate, terminal growth rate, including the possible effects of COVID-19. This evaluation was based on our knowledge of the Group and the industry, and observable market data, past performances, consistency with the Board approved plans and inquiries of the auditors of the subsidiary.</li> <li>Performed procedures in respect of sensitivity analysis of the key assumptions used in the impairment assessment.</li> <li>Assessed the adequacy of the disclosures relating to impairment of CGU in the consolidated financial statements.</li> </ul>
<p>Recoverability of deferred tax assets recognized in one of the subsidiaries of the Company</p> <p>Refer note 16 to the consolidated financial statements.</p> <p>One of the subsidiaries of the Company (Rane Engine Valve Limited) has recognised deferred tax assets on deductible temporary differences, unused tax losses (unabsorbed depreciation) and for unused tax credits (MAT credit), that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is dependent on the subsidiary company's ability to generate future taxable profits sufficient to utilize the deductible temporary differences and tax losses and to set off the unused tax credits.</p> <p>Recognition of deferred tax assets has been identified as a key audit matter by the auditor of the subsidiary, due to the inherent uncertainty and significant judgement involved in forecasting the amount and timing of future taxable profits and the reversal of temporary differences, more specifically in light of the economic conditions associated with the nature and duration of Coronavirus (COVID-19) pandemic.</p>	<p>In view of the significance of the matter, the auditor of the subsidiary has reported that the following audit procedures were applied, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Reconciling tax losses/ credits and expiry dates to tax returns;</li> <li>Assessing the accuracy of forecasts of future taxable profits by comparing the assumptions, such as projected growth rates, with business plans and assessing their consistency with forecasts used for impairment testing purposes appropriately factoring the probable impact of the COVID-19 pandemic; and</li> <li>Evaluating the adequacy of disclosures.</li> </ul>

### Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on the other information that we obtained prior to the date of this Auditor's Report.

When we read the remaining sections of Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with



governance and take necessary actions, as applicable under the applicable laws and regulations.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture / associate entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint venture / associate entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its joint venture / associate entities are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint venture / associate entities are responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture / associate entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint venture / associate entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the

planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements of four subsidiaries including a step-down subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 93,013 lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of Rs. 108,326 lakhs and net cash flows (before consolidation adjustments) amounting to Rs. 4,604 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. 736 lakhs for the year ended March 31, 2022, in respect of two of its joint venture / associate entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture / associate entities, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture / associate entities is based solely on the reports of the other auditors.
- (b) The financial information of three subsidiaries including a step-down subsidiary, whose financial statements/ financial information reflect total assets (before consolidation adjustments) of Rs. 17,438 lakhs as at March 31, 2022, total revenues (before consolidation adjustments) of Rs. 611 lakhs and net cash outflows (before consolidation adjustments) amounting to Rs. 49 lakhs for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and

according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate/consolidated financial statements of such subsidiaries and joint venture / associate entities as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint venture / associate companies incorporated in India, none of the directors of the Group companies, its joint venture / associate companies, incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies and joint venture / associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate/consolidated financial statements of the subsidiaries and joint venture / associate entities, as noted in the "Other Matters" paragraph:
- a) The consolidated financial statements disclose the impact of pending litigations as at March 31, 2022 on the consolidated financial position of the Group and its joint venture / associate entities. Refer Note 42.a to the consolidated financial statements.
  - b) The Group and its joint venture / associate entities did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2022.
  - c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture / associate companies incorporated in India during the year ended March 31, 2022.
  - d)
    - (i) The respective Managements of the Company, its subsidiaries and joint venture / associate entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture / associate entities respectively that, to the best of their knowledge and belief, as disclosed in the note 37.4 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries and joint venture / associate entities to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries and joint venture / associate entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The respective Managements of the Company, its subsidiaries and joint venture / associate entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries and joint venture / associate entities respectively that, to the best of their knowledge and belief, as disclosed in the note 37.5 to accounts, no funds have been received by the Company or any of such subsidiaries and joint venture / associate entities from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries and joint venture / associate entities shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
  - e) As stated in note 21 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- Further, based on the consideration of the reports of other auditors, the dividend declared or paid during the year by the subsidiary companies and joint venture / associate companies incorporated in India is in compliance with Section 123 of the Act.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture / associate companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture / associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and joint venture / associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

**S Sethuraman**  
Partner

Place: Chennai  
Date: May 26, 2022

Membership no: 203491  
UDIN: 22203491AJQXNL7796

## Annexure A to the Independent Auditor's report

on the consolidated financial statements of Rane Holdings Limited for the year ended March 31, 2022

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

Clause (xxi) of Companies (Auditor's Report) Order (CARO)

In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entity	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Rane Engine Valve Limited	L74999TN1972PLC006127	Subsidiary	Clause (i) (c)
2	Rane (Madras) Limited	L65993TN2004PLC052856	Subsidiary	Clause (ii) (b)
3	Rane t4u Private Limited	U72900KA2009PTC049462	Subsidiary	Clause (xvii)

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration Number: 101248W/W-100022

**S Sethuraman**

Partner

Membership no: 203491

UDIN: 22203491AJQXNL7796

Place: Chennai

Date: May 26, 2022

## Annexure B to the Independent Auditor's report

on the consolidated financial statements of Rane Holdings Limited for the period ended March 31, 2022

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

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

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

### Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Rane Holdings Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its joint venture / associate entities, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its joint venture / associate entities, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal financial controls with reference

to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, joint venture / associate entities in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements

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

## Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiary companies, two joint venture / associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

**S Sethuraman**  
Partner  
Place: Chennai  
Date: May 26, 2022  
Membership no: 203491  
UDIN: 22203491AJQXNL7796



# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
a. Property, plant and equipment	3	75,504	71,223
b. Capital work-in-progress	3	2,674	3,450
c. Right-of-use assets	4	1,045	1,112
d. Investment property	5	31	31
e. Goodwill	6	7,093	7,199
f. Other intangible assets	7	676	568
g. Intangible assets under development	8	95	-
h. Investments accounted for using equity method	9	29,161	30,983
i. Financial assets			
i. Investments	10	4,948	4,666
ii. Other financial assets	13	6,198	7,314
j. Deferred tax assets (net)	16	3,464	3,718
k. Income tax assets (net)	14	3,138	3,192
l. Other non-current assets	15	3,144	3,396
<b>Total non-current assets</b>		<b>1,37,171</b>	<b>1,36,852</b>
<b>Current assets</b>			
a. Inventories	17	39,995	28,036
b. Financial assets			
i. Investments	11	1,209	2,293
ii. Trade receivables	18	57,547	48,615
iii. Cash and cash equivalents	19.a	2,715	6,106
iv. Bank balance other than (iii) above	19.b	96	215
v. Loans	12	98	46
vi. Other financial assets	13	1,122	1,036
c. Current tax assets (Net)	14	39	15
d. Other current assets	15	6,837	4,948
<b>Total current assets</b>		<b>1,09,658</b>	<b>91,310</b>
<b>TOTAL ASSETS</b>		<b>2,46,829</b>	<b>2,28,162</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a. Equity share capital	20	1,428	1,428
b. Other equity	21	76,194	75,021
<b>Equity attributable to owners of the company</b>		<b>77,622</b>	<b>76,449</b>
Non-controlling interest	22	22,932	22,113
<b>Total equity</b>		<b>1,00,554</b>	<b>98,562</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	23	32,431	31,115
ii. Lease liabilities		819	899
iii. Other financial liabilities	24	142	2
b. Provisions	25	4,077	4,092
c. Deferred tax liabilities (net)	16	821	1,078
d. Other non-current liabilities	26	1,354	1,098
<b>Total non-current liabilities</b>		<b>39,644</b>	<b>38,284</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	23	45,248	34,985
ii. Trade payables	28		
a. Total outstanding dues of micro enterprises and small enterprises		3,098	2,685
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		46,818	43,535
iii. Lease liabilities		307	239
iv. Other financial liabilities	24	7,738	5,478
b. Other current liabilities	26	2,363	2,314
c. Provisions	25	1,056	1,827
d. Current tax liabilities (net)	27	3	253
<b>Total current liabilities</b>		<b>1,06,631</b>	<b>91,316</b>
<b>TOTAL LIABILITIES</b>		<b>1,46,275</b>	<b>1,29,600</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,46,829</b>	<b>2,28,162</b>

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of

**Rane Holdings Limited****S Sethuraman**

Partner

Membership No.: 203491

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

Place: Chennai

Date: 26 May 2022

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

S.No	Particulars	Note No.	Year ended 31 March 2022	Year ended 31 March 2021
I	Revenue from operations	29	2,67,730	2,03,536
II	Other income	30	3,736	2,166
III	<b>Total income (I+II)</b>		<b>2,71,466</b>	<b>2,05,702</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	31	1,56,036	1,07,059
	Purchase of stock-in-trade	32	1,089	605
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	(6,333)	2,982
	Employee benefits expense	34	48,002	40,145
	Finance costs	35	3,417	3,971
	Depreciation and amortisation expense	36	12,884	12,036
	Other expenses	37	52,365	41,527
	<b>Total expenses (IV)</b>		<b>2,67,460</b>	<b>2,08,325</b>
V	<b>Profit / (loss) before share of profit / (loss) of joint venture / associate entities, exceptional items and tax (III-IV)</b>		<b>4,006</b>	<b>(2,623)</b>
VI	Share of loss of joint venture / associate entities (includes share of exceptional items, net of taxes)	9	(736)	(2,734)
VII	<b>Profit / (loss) before exceptional items and tax (V+VI)</b>		<b>3,270</b>	<b>(5,357)</b>
VIII	Exceptional items	45	4,088	2,223
IX	<b>Profit / (loss) before tax (VII+VIII)</b>		<b>7,358</b>	<b>(3,134)</b>
X	<b>Tax expense</b>	38		
	a) Current tax		3,746	2,966
	b) Current tax for earlier years		295	771
	c) Deferred tax (net)		(189)	(836)
			<b>3,852</b>	<b>2,901</b>
XI	<b>Profit / (loss) for the year (IX-X)</b>		<b>3,506</b>	<b>(6,035)</b>
XII	<b>Other comprehensive income</b>			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement gains / (losses) on defined benefit plans		59	754
	(b) Net gain / (loss) on FVOCI equity instruments		384	1,809
	(c) Income tax relating to items that will not be reclassified to profit or loss		(84)	(588)
			<b>359</b>	<b>1,975</b>
	ii) Items that will be reclassified to profit or loss			
	(a) Net movement on cash flow hedges		(193)	622
	(b) Exchange differences on translation of foreign operations		700	(608)
	(c) Income tax relating to items that will be reclassified to profit or loss		-	(150)
			<b>507</b>	<b>(136)</b>
	<b>Total other comprehensive income (net of tax) (i+ii)</b>		<b>866</b>	<b>1,839</b>
XIII	<b>Total comprehensive income for the year (XI+XII)</b>		<b>4,372</b>	<b>(4,196)</b>
	<b>Profit / (loss) for the year attributable to:</b>			
	Owners of the parent		2,414	(5,057)
	Non-controlling interest		1,092	(978)
			<b>3,506</b>	<b>(6,035)</b>
	<b>Other comprehensive income for the year attributable to:</b>			
	Owners of the parent		714	1,722
	Non-controlling interest		152	117
			<b>866</b>	<b>1,839</b>
	<b>Total comprehensive income for the year attributable to:</b>			
	Owners of the parent		3,128	(3,335)
	Non-controlling interest		1,244	(861)
			<b>4,372</b>	<b>(4,196)</b>
XIV	<b>Earnings per equity share</b>			
	Basic & Diluted (in ₹)	43	16.91	(35.42)

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**

Partner

Membership No.: 203491

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

Place: Chennai

Date: 26 May 2022

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

## A. Equity share capital

Particulars	Amount
<b>Balance as at 1 April 2020</b>	<b>1,428</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at 31 March 2021	1,428
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2021</b>	<b>1,428</b>
<b>Balance as at 1 April 2021</b>	<b>1,428</b>
Changes in equity share capital due to prior period errors	-
Restated balance as at 31 March 2022	1,428
Changes in equity share capital during the year	-
<b>Balance as at 31 March 2022</b>	<b>1,428</b>

## B. Other equity

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Reserves and surplus	Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Foreign Currency Translation Reserve	Items of OCI	Hedge Reserve	Equity instruments through OCI	Total attributable to owners of the Company	Attributable to NCI	Total
<b>Balance as at 1 April 2020</b>	<b>48,200</b>	<b>25,316</b>	<b>1,358</b>	<b>69</b>	<b>4,433</b>	<b>(11)</b>	<b>1,771</b>	<b>81,136</b>	<b>(561)</b>	<b>(184)</b>	<b>412</b>	<b>(333)</b>	<b>23,044</b>	<b>103,847</b>
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Restated balance as at 1 April 2020</b>	<b>48,200</b>	<b>25,316</b>	<b>1,358</b>	<b>69</b>	<b>4,433</b>	<b>(11)</b>	<b>1,771</b>	<b>81,136</b>	<b>(561)</b>	<b>(184)</b>	<b>412</b>	<b>(333)</b>	<b>23,044</b>	<b>103,847</b>
Loss for the year	-	(5,057)	-	-	-	-	-	(5,057)	-	-	-	(5,057)	(978)	(6,035)
Other comprehensive income for the year (net of tax)	-	466	-	-	-	-	-	466	(343)	309	1,290	1,256	117	1,839
<b>Total comprehensive income for the year</b>	<b>48,200</b>	<b>20,725</b>	<b>1,358</b>	<b>69</b>	<b>4,433</b>	<b>(11)</b>	<b>1,771</b>	<b>76,545</b>	<b>(904)</b>	<b>125</b>	<b>1,702</b>	<b>923</b>	<b>22,183</b>	<b>99,651</b>
Transfer to general reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of dividends	-	(571)	-	-	-	-	-	(571)	-	-	-	(571)	(465)	(1,036)
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	655	(2,488)	72	-	-	(1)	-	(1,762)	(121)	7	-	(114)	395	(1,481)

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	General Reserve	Retained Earnings	Reserves and surplus			Amalgamation adjustment Account	Capital Reserve on Consolidation	Total	Items of OCI			Total attributable to owners of the Company	Attributable to NCI	Total
			Capital Redemption Reserve	Capital Reserve	Securities Premium				Foreign Currency Translation Reserve	Hedge Reserve	Equity instruments through OCI			
Balance as at 31 March 2021	48,855	17,666	1,430	69	4,433	(12)	1,771	74,212	(1,025)	132	1,702	809	22,113	97,134
Balance as at 1 April 2021	48,855	17,666	1,430	69	4,433	(12)	1,771	74,212	(1,025)	132	1,702	809	22,113	97,134
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at 1 April 2021	48,855	17,666	1,430	69	4,433	(12)	1,771	74,212	(1,025)	132	1,702	809	22,113	97,134
Profit for the year	-	2,414	-	-	-	-	-	2,414	-	-	-	-	1,092	3,506
Other comprehensive income for the year (net of tax)	-	70	-	-	-	-	-	70	488	(132)	288	644	152	866
Total comprehensive income for the year	48,855	20,150	1,430	69	4,433	(12)	1,771	76,696	(537)	-	1,990	1,453	23,357	101,506
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution by and distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment of dividends	-	-	-	-	-	-	-	-	-	-	-	-	(1,012)	(1,012)
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	931	(2,891)	43	-	-	(1)	-	(1,918)	(37)	-	-	(37)	587	(1,368)
Balance as at 31 March 2022	49,786	17,259	1,473	69	4,433	(13)	1,771	74,778	(574)	-	1,990	1,416	22,932	99,126

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**

Partner

Membership No.: 203491

Place: Chennai

Date: 26 May 2022

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flows from operating activities</b>		
Profit / (Loss) for the year	3,506	(6,035)
<b>Adjustments for:</b>		
Income tax expense recognised in profit and loss	3,852	2,901
Depreciation and amortisation expense	12,884	12,036
Net loss / (gain) on disposal of property, plant and equipment	(21)	(2,245)
Government grant income	(2,164)	(217)
Share of (profit) / loss of joint venture / associate entities	736	2,734
Gain on sale of non-current investments	(1,564)	-
Finance costs	3,417	3,971
Impairment of financial assets	317	122
Write back of financial liabilities carried at amortised cost	(1,249)	(1,097)
Gain on current investments mandatorily measured at FVTPL	(18)	(14)
Impairment of investment / goodwill	162	-
Net unrealised foreign exchange loss / (gain)	416	(1,064)
Interest income	(160)	(257)
<b>Movements in working capital:</b>		
(Increase) / decrease in inventories	(11,596)	1,544
(Increase) / decrease in trade receivables	(8,734)	(12,559)
(Increase) / decrease in other assets	(877)	496
Increase / (decrease) in trade payables	3,872	12,856
Increase / (decrease) in provisions	(805)	(1,048)
Increase / (decrease) in other liabilities	3,746	3,887
<b>Cash generated from operating activities</b>	<b>5,720</b>	<b>16,011</b>
Income taxes paid	(4,187)	(2,793)
<b>Net cash generated from operating activities</b>	<b>1,533</b>	<b>13,218</b>
<b>Cash flows from investing activities</b>		
(Payment towards purchase) / proceeds from sale of current investments (net)	1,105	(1,863)
Purchase consideration for acquisition of business	(2,319)	-
Dividend received from joint venture / associate entities	612	350
Payment towards purchase of property, plant and equipment and intangible assets	(13,317)	(10,242)
Proceeds from disposal of property, plant and equipment	45	2,437
Payment towards purchase of non-current investments	(378)	(679)
Proceeds from sale of non-current investments	2,483	232
Interest received	210	246
Bank balances not considered under cash and cash equivalents	114	(109)
<b>Net cash used in investing activities</b>	<b>(11,445)</b>	<b>(9,628)</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	18,058	16,696
Repayment of long-term borrowings	(10,201)	(12,513)
Proceeds / (repayments) of short-term borrowings (net)	5,266	(1,375)
Dividends paid to shareholders	-	(571)
Dividends paid to non-controlling interest	(1,012)	(465)
Interest paid	(3,898)	(3,498)
Payment of lease liabilities	(361)	(335)
Acquisition of NCI by subsidiaries through buy-back	(182)	(1,239)
Tax on buyback	(42)	(255)
Purchase of shares from NCI	(1,127)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>6,501</b>	<b>(3,555)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,411)</b>	<b>35</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5,922</b>	<b>5,887</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,511</b>	<b>5,922</b>

See accompanying notes forming part of consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**

Partner

Membership No.: 203491

**Harish Lakshman**

Vice Chairman and Joint Managing Director

DIN: 00012602

**Ganesh Lakshminarayan**

Chairman and Managing Director

DIN: 00012583

Place: Chennai

Date: 26 May 2022

**M A P Sridhar Kumar**

Chief Financial Officer

**Siva Chandrasekaran**

Company Secretary

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### Summary of significant accounting policies, critical judgements and key estimates

#### 1 Corporate Information

Rane Holdings Limited ("RHL" or "the Company") is the holding company whose main activity is investing and holding strategic investments in subsidiaries (collectively called "the Group") and joint venture / associate entities, that are primarily engaged in manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Company is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

#### 2 Significant accounting policies

##### 1. Statement of compliance and basis of preparation

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

##### b. Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the respective entities in the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All amounts have been rounded-off to the nearest lakhs, unless otherwise indicated.

##### 2. Basis of measurement

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

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

All assets and liabilities have been classified as current or non-current as per the Group's normal operating

cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### 3. Principles of consolidation:

The consolidated financial statements relate to Rane Holdings Limited (referred as "the Company" or "the Holding Company"), its subsidiary companies (collectively referred to as "the group") and the Group's share of profit / (loss) in its joint venture / associate entities.

The Financial statements of the subsidiaries and joint venture / associate entities used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March 2022.

##### 4. Basis of consolidation

###### a. Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group consolidates the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment.

###### b. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

###### c. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit and loss.

### d. Equity accounted investees

Interests in joint venture / associate entities are accounted for using the equity method. They are initially recognized at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit and loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### e. Business combination

In accordance with Ind AS 103, the Company accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognized in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

## 5. Use of estimates and Judgements

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions as considered in the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates, judgement and associated assumptions are based on historical experience and

other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

### 5.1 Judgements

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

- Note 6 - Impairment testing for goodwill

### 5.2 Assumptions and estimation uncertainties

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

#### 5.2.1 Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Further details are given in note 48.

#### 5.2.2 Impairment test of non-financial assets (Goodwill)

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) is determined to be the fair value less costs to sell in respect goodwill allocated to CGUs represented by the quoted market prices of the underlying listed investment and in the case of others, it is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections and involves judgements. Further details are given in note 6.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 5.2.3 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantively enacted. Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely expected outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available. Further details are given in note 16, 38 and 42.

### 5.2.4 Defined benefit plans

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 39.

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

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

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

### 6. Measurement of fair values

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

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

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

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

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

### 7. Financial Instruments

#### i. Initial recognition

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

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

#### ii. Classification and subsequent measurement

##### Financial assets

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

- Amortised cost;
- FVOCI - debt investment;

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are

measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit and loss. However, see Note 2(7)(v) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit and loss. Any gain or loss on derecognition is recognised in profit and loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit and loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit and loss.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### *Financial liabilities: Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit and loss. Any gain or loss on derecognition is also recognised in profit and loss. However, see Note 2(7)(v) for derivatives designated as hedging instruments.

### iii. Derecognition

#### *Financial assets*

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

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

#### *Financial liabilities*

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

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

### iv. Offsetting

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

### v. Derivative Financial instruments and Hedge Accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposure. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are generally recognised in profit and loss.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit and loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit and loss in the same period or periods as the hedged expected future cash flows affect profit and loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit and loss.

### 8. Property, plant and equipment

Items of property, plant and equipment are carried at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

#### Transition to Ind AS

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

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

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

Asset	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Buildings (other than Factory building)	30-60 Years	60 Years
Factory buildings	30 years	30 years
Plant and machinery	3 - 15 years	15 years
Vehicles	4-5 years	8 years
Furniture and fixtures	5 years	10 years
Office equipment (other than computers)	3 years	5 years
Computers, servers and network	3 to 6 years	3 to 6 years

Freehold land is not depreciated.

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

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

### 9. Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost

of the item can be measured reliably. Any gain or loss on disposal of an investment property is recognised in profit and loss.

### 10.1 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is not amortised.

### 10.2 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit and loss as incurred. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit and loss in which the expenditure is incurred. The amortisation expense on intangible assets is recognised in the statement of profit and loss. An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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

#### Transition to Ind AS

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

Intangible assets are amortised using straight-line method over their estimated useful life as follows:



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Asset	Useful life
License fee on software	5 years or license period whichever is lower
Technical know how	3 years
Customer relationships	4 years
Customer contracts	4 years

### 11. Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale in its present condition rather than through continuing use and are measured at the lower of carrying amount and fair value less costs to sell.

Once classified as held-for-sale, property, plant and equipment, intangible assets and investment properties are no longer depreciated or amortised.

### 12. Impairment

#### i. Impairment of financial instruments

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

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

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

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

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

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

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

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

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

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

#### Measurement of expected credit losses

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

#### Presentation of allowance for expected credit losses in the balance sheet

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

#### Write-off

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

#### ii. Impairment of property, plant and equipment and intangible assets including goodwill

At the end of each reporting period, the group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent



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basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired.

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

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

If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

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

### 13. Borrowings and borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are

subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit and loss over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

### 14. Leases

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

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

ROU assets and lease liabilities are measured based on lease term that includes periods covered by an option to extend the lease when it is reasonably certain that they will be exercised and periods covered by an option

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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to terminate the lease when it is reasonably certain that they will not be exercised.

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

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

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

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

### 15. Inventories

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

Raw materials, components and other supplies held for use in the production of finished products are not

written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

### 16. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 16.1 Cash flow statement

Cash flows from operating activities are reported using the indirect method, whereby profit / (loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

### 17. Foreign currency

#### (i) Transactions and balances

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined. All monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate at the reporting date.

Exchange differences are recognised in profit and loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

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

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### (ii) Foreign operations

The assets and liabilities of foreign subsidiaries including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

### 18. Revenue recognition

The Group derives revenues primarily from various products and services related to manufacture and supply of auto components and providing technological services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers (i.e. when products are delivered to customers or when delivered to a carrier, as the case may be) at an amount that reflects the consideration that the Group expects to receive in exchange for those products or services. Revenue is reduced for estimated discounts and other similar allowances.

Revenue from services has been recognised as and when the service has been performed.

#### Other income

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

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

### 19. Government grants

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

Government grants are recognised in profit and loss on a systematic basis over the periods in which the Group

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

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

### 20. Employee benefits

#### Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### Defined contribution plans

##### Provident fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit and loss in the periods during which the related services are rendered by employees.

##### Superannuation fund

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

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit and loss in the period in which they arise.

### 21. Expenditure on Corporate Social Responsibility (CSR)

The Group accounts the expenditure incurred towards Corporate Social Responsibility as required under

the Act as a charge to the statement of profit and loss account. As at the balance sheet date, an asset / liability is recognized for the difference between the amount spent and the amount required to be spent as per the provisions of the Act.

### 22. Research & development expenditure

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

Items of property, plant and equipment and acquired intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

### 23. Provisions and contingent liabilities

**Provisions:** Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

**Provisions for warranty:** The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. The group accounts for the provision for warranty on the basis of the information available with

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the Management duly taking into account the current and past technical estimates.

#### 24. Taxation

Income tax comprises current and deferred tax. It is recognised in profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

##### a. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### b. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit and loss at the time of the transaction;
- temporary differences related to investments in subsidiaries and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### 25. Financial guarantee contracts

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

Financial guarantee contracts issued by the group are initially measured at their fair values are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

#### 26. Earnings per share

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

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the additional dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period,



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unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

### 27. Dividend

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

### 28. Segment reporting

The Group is engaged in the activities related to manufacture and supply of auto components and providing technological services for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Group as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry.

### 29. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

Ind AS 16 - Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit and loss but deducted from the directly attributable cost considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual period beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Ind AS 37 - Provisions, Contingent liabilities and Contingent Assets - The amendments specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

Ind AS 109 - Annual Improvements to Ind AS (2021) - The amendment clarifies which fees an entity includes when it applies '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The group does not expect the amendment to have any significant impact in its financial statements.



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for the year ended 31 March 2022

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### 3 Property, plant and equipment & capital work-in-progress

Particulars	As at 31 March 2022	As at 31 March 2021						Total	
Property, plant and equipment									
Freehold land	11,194	11,194							
Leasehold land improvement	413	417							
Buildings	15,319	15,482							
Plant and equipment	47,532	43,035							
Furniture and fixtures	302	315							
Office equipment	612	668							
Vehicles	132	112							
	75,504	71,223							
Capital work-in-progress	2,674	3,450							
Particulars		Freehold land	Leasehold land improvement	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying amount									
Balance at 1 April 2020		11,194	250	18,751	82,092	1,084	2,644	247	1,16,262
Additions		-	302	388	10,039	39	243	74	11,085
Disposals		-	-	-	(80)	(108)	(20)	-	(208)
Exchange differences on translation of foreign operations		-	(6)	-	(214)	-	-	-	(220)
Balance at 31 March 2021		11,194	546	19,139	91,837	1,015	2,867	321	1,26,919
Additions		-	26	672	13,303	88	348	53	14,490
Disposals		-	-	-	(143)	(26)	(45)	(15)	(229)
Exchange differences on translation of foreign operations		-	16	-	430	-	9	-	455
Acquisition through business combination (refer Note 3.7)		-	-	-	1,634	14	17	12	1,677
Balance at 31 March 2022		11,194	588	19,811	1,07,061	1,091	3,196	371	1,43,312
Accumulated depreciation and impairment									
Balance at 1 April 2020		-	102	2,848	39,297	652	1,739	171	44,809
Depreciation expense		-	30	809	9,689	150	481	38	11,197
Disposals		-	-	-	(63)	(102)	(16)	-	(181)
Exchange differences on translation of foreign operations		-	(3)	-	(121)	-	(5)	-	(129)
Balance at 31 March 2021		-	129	3,657	48,802	700	2,199	209	55,696
Depreciation expense		-	42	835	10,670	114	417	44	12,122
Disposals		-	-	-	(134)	(25)	(39)	(14)	(212)
Exchange differences on translation of foreign operations		-	4	-	191	-	7	-	202
Balance at 31 March 2022		-	175	4,492	59,529	789	2,584	239	67,808
Net carrying amount									
As on 31 March 2021		11,194	417	15,482	43,035	315	668	112	71,223
As on 31 March 2022		11,194	413	15,319	47,532	302	612	132	75,504

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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#### Note:

- 3.1. For property, plant and equipment provided as security against borrowings, Refer note 23.
- 3.2. During the year ended 31 March 2022, the Group commenced installation of new plant and machinery in respect of an overseas subsidiary, costs incurred up to the reporting date totaled to ₹ 1,839 lakhs (31 March 2021: ₹ 3,114 lakhs). Capitalized borrowing costs related to the installation of plant and machinery amounted to Nil as at 31 March 2022 (31 March 2021: ₹ 176 lakhs with a capitalization rate of 3.3 percent)

#### 3.3 Ageing details of capital work-in-progress

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>					
Projects in progress	2,574	36	64	-	2,674
Projects temporarily suspended	-	-	-	-	-
<b>As at 31 March 2021</b>					
Projects in progress	2,165	1,280	5	-	3,450
Projects temporarily suspended	-	-	-	-	-

The Group does not have any capital work-in-progress that has exceeded its cost compared to its original plan. Capital work-in-progress includes certain projects whose completion is overdue. Expected completion schedule of such projects are as follows:

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at 31 March 2022</b>					
Projects in progress					
Capacity enhancement project	555	-	-	-	555
Others	73	-	-	-	73
<b>As at 31 March 2021</b>					
Projects in progress	-	-	-	-	-

3.4 The Group does not have any Benami property.

3.5 The group has not revalued any property, plant and equipment.

3.6 Refer note 42.b for Capital Commitments

#### Impairment assessment

The Group tested the assets relating to the Group's entity in the United States (Rane Light Metal Casting Inc.) for impairment. In order to carry out the above assessment, projections of future cash flows of the operating step-down subsidiary based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements depending on the circumstances that may evolve in the future.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	As at	As at
	31 March 2022	31 March 2021
Discount rate	8.20% to 9.20%	7.80% to 8.80%
Terminal value growth rate	2.50%	2.50%
Budgeted revenues growth rate	15.38%	22.18%

Application of sensitivities over the above assumptions would not result in an impairment loss as at the year end.

#### 3.7 Business combinations

##### Acquisition of Steering Component business ("Undertaking")

The Group acquired the Steering components business (SCB) of Yagachi Technologies Private Limited for an aggregate consideration of Rs. 2,319 Lakhs under a slump sale agreement dated October 11, 2021. The undertaking is primarily engaged in the business of manufacture of steering components for automotive applications.

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The transaction was accounted under Ind AS 103 "Business Combinations" as a business combination with the purchase price being allocated to identifiable assets and liabilities at fair value.

#### A. Consideration transferred

The following table summarises the acquisition date fair value of each class of consideration transferred:

Particulars	Amount
Cash	2,319
Total consideration for business combination	2,319

#### B. Identifiable assets acquired and liabilities assumed

The following table summarises the recognized amount of assets acquired and liabilities assumed on the date of acquisition:

Particulars	Amount
Property, plant and equipment	1,677
Intangible assets	2
Intangible assets - Customer contract	367
Inventories	306
Other financial assets	124
Other current assets	35
Provisions	(12)
Trade payables	(237)
Total net identifiable assets acquired	2,262

#### C. Goodwill

Particulars	Amount
Consideration transferred	2,319
Fair value of net identifiable assets	2,262
Goodwill	57

## 4 Right-of-use assets

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying amounts of:		
Land	487	507
Buildings	211	99
Plant and equipment	159	166
Office equipment	109	174
Vehicles	69	154
Others	10	12
	1,045	1,112

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Particulars	Land	Buildings	Plant and Equipment	Office Equipment	Vehicles	Others	Total
<b>Gross carrying amount</b>							
Balance as at 1 April 2020	220	256	1,446	324	391	18	2,655
Additions	316	95	202	73	-	-	686
Disposals	-	(168)	(1,425)	(7)	(46)	-	(1,646)
Exchange differences on translation of foreign operations	-	-	(20)	(19)	-	-	(39)
<b>Balance as at 31 March 2021</b>	<b>536</b>	<b>183</b>	<b>203</b>	<b>371</b>	<b>345</b>	<b>18</b>	<b>1,656</b>
Additions	-	218	41	-	-	-	259
Disposals	-	(69)	-	-	(38)	-	(107)
Exchange differences on translation of foreign operations	-	-	7	5	-	-	12
<b>Balance as at 31 March 2022</b>	<b>536</b>	<b>332</b>	<b>251</b>	<b>376</b>	<b>307</b>	<b>18</b>	<b>1,820</b>
<b>Accumulated depreciation and impairment</b>							
Balance as at 1 April 2020	9	96	1,396	177	105	4	1,787
Depreciation expense	20	54	52	77	107	2	312
Disposals	-	(66)	(1,438)	(7)	(21)	-	(1,532)
Exchange differences on translation of foreign operations	-	-	27	(50)	-	-	(23)
<b>Balance as at 31 March 2021</b>	<b>29</b>	<b>84</b>	<b>37</b>	<b>197</b>	<b>191</b>	<b>6</b>	<b>544</b>
Depreciation expense	20	106	53	68	73	2	322
Disposals	-	(69)	-	-	(26)	-	(95)
Exchange differences on translation of foreign operations	-	-	2	2	-	-	4
<b>Balance as at 31 March 2022</b>	<b>49</b>	<b>121</b>	<b>92</b>	<b>267</b>	<b>238</b>	<b>8</b>	<b>775</b>
<b>Net carrying amount</b>							
As on 31 March 2021	507	99	166	174	154	12	1,112
<b>As on 31 March 2022</b>	<b>487</b>	<b>211</b>	<b>159</b>	<b>109</b>	<b>69</b>	<b>10</b>	<b>1,045</b>

Also refer note 44 for additional information about leases.

#### 5 Investment property

Particulars	Total
<b>Gross carrying amount</b>	
Balance at 1 April 2020	31
Additions	-
Disposals	-
<b>Balance at 31 March 2021</b>	<b>31</b>
Additions	-
Disposals	-
<b>Balance at 31 March 2022</b>	<b>31</b>
<b>Accumulated depreciation and impairment</b>	
Balance at 1 April 2020	-
Additions	-
Disposals	-
<b>Balance at 31 March 2021</b>	<b>-</b>
Additions	-
Disposals	-
<b>Balance at 31 March 2022</b>	<b>-</b>
<b>Net carrying amount</b>	
As on 31 March 2021	31
<b>As on 31 March 2022</b>	<b>31</b>

Note: Investment property pertains to land held by REVL, with an intention to hold it for long-term capital appreciation purpose.

Fair value of the Group's investment property:

Particulars	Level 3	
	31 March 2022	31 March 2021
Fair value	54	54

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The fair value of investment property is not based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. It is determined based on the Guideline Value published by the relevant revenue authority.

### 6 Goodwill

Particulars	As at 31 March 2022	As at 31 March 2021
Cost	7,452	7,395
Accumulated impairment losses	(359)	(196)
	<b>7,093</b>	<b>7,199</b>
<b>Particulars</b>	<b>Total</b>	
<b>Cost</b>		
Balance at 1 April 2020	7,395	
Additions	-	
Disposals	-	
Balance at 31 March 2021	7,395	
Additions through business combination (refer note 3.7)	57	
Disposals	-	
Balance at 31 March 2022	7,452	
<b>Accumulated impairment losses</b>		
Balance at 1 April 2020	196	
Impairment losses recognised during the year	-	
Additions	-	
Disposals	-	
Balance at 31 March 2021	196	
Impairment losses recognised during the year	-	
Additions	163	
Disposals	-	
Balance at 31 March 2022	359	

#### 6.1 Impairment tests for goodwill

For impairment testing the carrying amount of goodwill was allocated to cash generating units as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Rane (Madras) Limited ('RML')	2,901	2,844
Rane Engine Valve Limited ('REVL')	3,874	3,874
Rane Brake Lining Limited ('RBL')	114	114
Rane Holdings Europe GmbH	2	2
Rane t4u Private Limited	202	365
	<b>7,093</b>	<b>7,199</b>

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) is determined based on fair value less costs to sell in respect of goodwill allocated to CGUs represented by the quoted market prices of the underlying listed investment (being RML, REVL, RBL) using Level 1 inputs. The key level 1 input is the closing market value of each of these CGUs.

- In respect of the goodwill allocated to REVL related CGU, based on the market value of the underlying listed investment as at 31 March 2022, the Group noted a need for an impairment assessment. Consequently, the management has assessed the recoverable amount of the CGU based on the present value of the future cash flows expected to be derived therefrom. The recoverable amount is established to be higher than the carrying amount of CGU and hence no impairment was required to be recognised as at 31 March 2022.
- Goodwill allocated to Rane Holdings Europe GmbH CGU was not significant in comparison to the total carrying value of Goodwill.
- As regards the goodwill allocated to RT4U, the recoverable amount is determined based on the fair value less cost to sell model. This involves significant judgments and estimates including determination of comparable companies and transactions, implied market multiples and projected revenue.

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The key assumptions used in the estimation of the recoverable value are set out below:

Assumptions	
Enterprise value to sales multiple	1.08
Projected revenue growth rate	43%

Based on the assessment, management has recorded an impairment of ₹ 163 lakhs for Goodwill allocated to Rane t4u Private Limited.

#### 7 Other intangible assets

Particulars	As at 31 March 2022	As at 31 March 2021
Carrying amounts of:		
Software	342	561
Customer relationship	5	7
Customer contracts	329	-
	676	568

Particulars	Software	Technical know-how	Customer relationship	Customer contracts	Total
<b>Gross carrying amount</b>					
Balance at 1 April 2020	2,183	440	50	-	2,673
Additions	64	-	8	-	72
Disposals	-	-	-	-	-
Balance at 31 March 2021	2,247	440	58	-	2,745
Additions	179	-	-	-	179
Acquisition through business combination (refer Note 3.7)	2	-	-	367	369
Disposals	-	-	-	-	-
Balance at 31 March 2022	2,428	440	58	367	3,293
<b>Accumulated depreciation and impairment</b>					
Balance at 1 April 2020	1,287	327	36	-	1,650
Amortisation expense	399	113	15	-	527
Disposals	-	-	-	-	-
Balance at 31 March 2021	1,686	440	51	-	2,177
Amortisation expense	400	-	2	38	440
Disposals	-	-	-	-	-
Balance at 31 March 2022	2,086	440	53	38	2,617
<b>Net carrying amount</b>					
As on 31 March 2021	561	-	7	-	568
As on 31 March 2022	342	-	5	329	676

The group has not revalued any of its Intangible assets.

#### 8 Intangible assets under development

Particulars	As at 31 March 2022	As at 31 March 2021
Intangible assets under development	95	-

##### Intangible assets under development ageing schedule

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As on 31 March 2022</b>					
Projects in progress	95	-	-	-	95
Projects temporarily suspended	-	-	-	-	-
<b>As on 31 March 2021</b>					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-



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8.1 The Company does not have any Intangible assets under development which is overdue or exceeded its cost compared to its original plan and hence Intangible assets under development completion schedule is not applicable

8.2 Refer note 42.b for Capital Commitments

### 9 Investments accounted for using equity method

Particulars	As at 31 March 2022	As at 31 March 2021
ZF Rane Automotive India Private Limited (formerly known as Rane TRW Steering Systems Private Limited) [42,81,740 (31 March 2021: 43,69,123) shares of ₹ 10 each] (refer note 9.1)	23,068	21,672
Rane NSK Steering Systems Private Limited [87,71,000 (31 March 2021: 87,71,000) shares of ₹ 10 each]	6,093	9,311
	29,161	30,983

ZF Rane Automotive India Private Limited and Rane NSK Steering Systems Private Limited are equity accounted investments in which the group has 49% ownership each (31 March 2021: 50% and 49% respectively).

The investment in these entities are accounted as follows:

The results of these entities are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in joint venture / associate entities are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the entities investment. Distributions received from such entities are reduced from the carrying amount of the investment.

The following table summarises the financial information of the joint venture / associate entities and the carrying amount of group's interest in such entities:

Particulars	31 March 22		31 March 21	
	ZF Rane Automotive India Private Limited - (ZRAI)	Rane NSK Steering Systems Private Limited - (RNSS)	ZF Rane Automotive India Private Limited - (ZRAI)	Rane NSK Steering Systems Private Limited - (RNSS)
Percentage ownership interest	49%	49%	50%	49%
Non-current assets	37,862	37,734	37,041	37,094
Current assets	55,742	28,836	54,673	32,642
Non-current liabilities	(4,015)	(720)	(5,407)	(4,530)
Current liabilities	(46,592)	(55,589)	(47,046)	(48,379)
Net assets	42,997	10,261	39,261	16,827
Group's share of net assets	21,069	5,028	19,631	8,246
Add: Goodwill	1,999	1,065	2,041	1,065
Carrying amount of interest in joint venture / associate entities	23,068	6,093	21,672	9,311
The above amounts of assets and liabilities include the following:				
Cash and cash equivalents	1,829	1,800	2,885	1,247
Current financial liabilities (excluding trade and other payables and provisions)	17,210	17,363	19,574	14,675
Non-current financial liabilities (excluding trade and other payables and provisions)	3,301	720	4,388	1,053

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Particulars	31 March 22		31 March 21	
	ZF Rane Automotive India Private Limited - (ZRAI)	Rane NSK Steering Systems Private Limited - (RNSS)	ZF Rane Automotive India Private Limited- (ZRAI)	Rane NSK Steering Systems Private Limited - (RNSS)
Percentage ownership interest	49%	49%	50%	49%
Revenue	1,34,030	1,43,224	1,03,478	1,07,588
Interest income	18	21	21	30
Finance costs	681	1,146	699	830
Depreciation and amortisation	5,084	5,179	4,690	4,522
Income tax expense	1,396	(3,465)	835	(4,111)
Profit / (loss) for the year	4,939	(6,504)	2,495	(8,125)
Other comprehensive income	18	(63)	(18)	(3)
Total comprehensive income	4,957	(6,567)	2,477	(8,128)
Group's share of profit / (loss) for the year (refer note 9.2)	2,451	(3,187)	1,247	(3,981)
Group's share of other comprehensive income	9	(31)	(9)	(2)
Group's share of total comprehensive income	2,460	(3,218)	1,238	(3,983)
The Group had received dividend amounting to ₹ 612 lakhs (31 March 2021: ₹ 350 lakhs) from ZRAI and ₹ Nil (31 March 2021: ₹ Nil) from RNSS.				
Commitments and contingent liabilities in respect of joint venture / associate entities				
Commitments				
Share of capital commitment	1,554	324	390	262
Contingent liabilities				
Share of contingent liabilities	915	1,169	1,031	1,154

**Note 9.1:** On 30 December 2021 the Company transferred 87,383 (nos.) equity shares representing 1% of the total shareholding in ZF Rane Automotive India Private Limited ("ZRAI") for a consideration of ₹ 2,016 Lakhs. The corresponding gain from such transfer aggregating to ₹ 1,564 lakhs has been disclosed as Other Income (refer note 30)

**Note 9.2:** Share of profit/(loss) of Joint Venture/associate entities disclosed in the consolidated financial statements includes the Group's share of exceptional expenditure recorded by Rane NSK Steering Systems Private Limited ('RNSS') for year ended 31 March 2022 amounting to ₹ 7,918 lakhs (31 March 2021: ₹ 8,678 lakhs). This exceptional expenditure was incurred by RNSS towards incremental warranty claims with respect to certain specific lots of products sold by RNSS to one of its customers. These amounts have been determined by the management of RNSS based on technical estimates. RNSS has determined the amount based on technical estimates and is currently in discussions with various parties to determine and conclude on certain aspects that may impact the quantum of the warranty liability. Based on its assessment and pending final outcome of such discussions and negotiations, RNSS believes that the provision carried by them as at 31 March 2022, is adequate.

## 10 Non-current investments

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Unquoted investments:</b>		
A. Investments in equity instruments (fully paid-up) at FVTPL		
Clean Wind Power (Manvi) Private Limited	4	4
[43,200 (31 March 2021: 43,200) shares of ₹10 each]		
Capsol Energy Private Limited	210	210
[21,00,000 (31 March 2021: 21,00,000) shares of ₹10 each]		
CWRE Wind Power Private Limited	0.09	0.09
[947 (31 March 2021: 947) shares of ₹10 each]		
Shree MTK Textiles Private Limited	282	-
[8,820 (31 March 2021: Nil) shares of ₹100 each]		

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Particulars	As at 31 March 2022	As at 31 March 2021
<b>B. Investments in Equity designated as FVOCI:</b>		
AutoTech Fund I, L.P (refer note 10.1)	4,452	4,452
	4,948	4,666
Aggregate carrying value of unquoted investments	4,948	4,666
Aggregate amount of impairment in value of investments	-	-

### 10.1. Investments in Equity instruments at FVOCI:

The Group designated the investments shown below as equity investments at FVOCI because these equity instruments represent investments that the Group intends to hold for long-term for strategic purposes.

Particulars	Fair value at 31 March 2022	Dividend recognised during the year 2021-22	Fair value at 31 March 2021	Dividend recognised during the year 2020-21
Investment in AutoTech Fund I, L.P ("AutoTech")	4,452	-	4,452	-

During the year ended 31 March 2022, the Company had invested an amount of ₹ 168 lakhs (₹680 lakhs in 31 March 2021) in AutoTech towards its share of capital contribution as one of the limited partners in the fund. During the current year, the company has received an amount of ₹ 552 lakhs (₹ 232 Lakhs in 31 March 2021) from AutoTech towards its share of distribution of capital arising as a result of sale of investments held by AutoTech in some of the portfolio companies. The said amount has been reduced from the cost of investments.

## 11 Current investments

Particulars	As at 31 March 2022			As at 31 March 2021		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
<b>Unquoted investments</b>						
Investment in mutual fund - mandatorily measured at FVTPL						
- Aditya Birla Sun Life Liquid Fund - Growth	340	41,031	140	329	33,924	112
- Nippon India Liquid Fund - Growth	-	-	-	4,997	2,981	149
- SBI Mutual Fund - Growth	3,311	1,973	65	3,203	371	12
- HDFC Liquid Fund - Regular plan - Growth	4,152	24,173	1,003	4,018	50,281	2,020
<b>Total unquoted investments</b>			<b>1,209</b>			<b>2,293</b>
Aggregate book value of unquoted investments			1,209			2,293
Aggregate market value of unquoted investments			1,209			2,293
Aggregate amount of impairment in value of investments			-			-

## 12 Loans

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured and considered good				
Loans to employees	-	-	98	46
	-	-	98	46

The Group's exposure to credit risk and market risk are disclosed in note 48

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#### 13 Other financial assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Unsecured and considered good</b>				
Security and other deposits	2,275	2,290	186	68
Interest receivable	-	-	193	111
Insurance and other claims	-	901	146	60
Tooling related receivables	3,225	3,699	-	-
Derivative assets	547	191	264	45
Margin money deposits	151	231	11	12
Advance recoverable in cash	-	-	66	28
Export incentive receivables	-	-	235	683
Other receivable	-	2	21	29
<b>Total</b>	<b>6,198</b>	<b>7,314</b>	<b>1,122</b>	<b>1,036</b>

#### Note:

13.1 Margin money with banks includes restricted cash deposits provided as collateral for bank guarantees and borrowings.

13.2 The Group's exposure to credit risk and market risk are disclosed in note no 48.

#### 14 Income tax assets (net)

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Advance Income-tax (net of provision for taxation)	3,138	3,192	39	15
<b>Total</b>	<b>3,138</b>	<b>3,192</b>	<b>39</b>	<b>15</b>

#### 15 Other assets

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Unsecured and considered good</b>				
Prepaid expenses	515	338	1,399	1,152
Capital advances	1,361	1,807	-	-
Balance with statutory/government authorities	640	846	2,087	1,180
Security deposits	-	1	-	-
Advances to suppliers	-	-	2,047	1,789
Advances to employees	-	-	109	98
Export entitlements	-	-	620	259
Assets relating to employee benefits - Gratuity (refer note 39)	-	-	53	15
Others	628	404	522	455
<b>Total</b>	<b>3,144</b>	<b>3,396</b>	<b>6,837</b>	<b>4,948</b>

#### 16 Deferred tax assets / (liabilities)

Particulars	As at 31 March 2022	As at 31 March 2021
Deferred tax assets (net)	3,464	3,718
Deferred tax liabilities (net)	(821)	(1,078)

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### Deferred tax assets (net) - 2021-22

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
<b>Deferred tax assets</b>					
Employee benefits / Expenses deductible on payment basis	767	60	(5)	-	822
MAT credit	395	-	-	(201)	194
Tax losses carried forward	2161	(212)	-	-	1949
Loss allowance on trade receivables	100	(25)	-	-	75
Property, plant and equipment	294	129	-	-	423
Others	1	-	-	-	1
<b>Deferred tax assets</b>	<b>3,718</b>	<b>(48)</b>	<b>(5)</b>	<b>(201)</b>	<b>3,464</b>

### Deferred tax liabilities (net) - 2021-22

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
<b>Deferred tax assets</b>					
Employee benefits / Expenses deductible on payment basis	1,878	(646)	10	-	1,242
Loss allowance on trade receivables	102	2	-	-	104
	<b>1,980</b>	<b>(644)</b>	<b>10</b>	<b>-</b>	<b>1,346</b>
<b>Deferred tax liabilities</b>					
Fair valuation of financial instruments	(579)	55	10	-	(514)
Property, plant and equipment	(2,479)	826	-	-	(1,653)
	<b>(3,058)</b>	<b>881</b>	<b>10</b>	<b>-</b>	<b>(2,167)</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>(1,078)</b>	<b>237</b>	<b>20</b>	<b>-</b>	<b>(821)</b>

### Deferred tax assets (net) - 2020-21

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
<b>Deferred tax assets</b>					
Employee benefits / Expenses deductible on payment basis	652	128	(13)	-	767
MAT credit	395	-	-	-	395
Tax losses carried forward	1,963	198	-	-	2,161
Loss allowance on trade receivables	154	(54)	-	-	100
Property, plant and equipment	61	233	-	-	294
Cash flow hedges	7	-	-	(7)	-
Others	2	(1)	-	-	1
<b>Deferred tax assets</b>	<b>3,234</b>	<b>504</b>	<b>(13)</b>	<b>(7)</b>	<b>3,718</b>

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### Deferred tax liabilities (net) - 2020-21

Particulars	Opening balance	Recognised in P&L	Recognised in OCI*	Other adjustments	Closing Balance
<b>Deferred tax assets</b>					
Employee benefits / Expenses deductible on payment basis	2,708	(786)	(44)	-	1,878
Loss allowance on trade receivables	186	(84)	-	-	102
Cash flow hedges	150	-	(150)	-	-
Others	376	-	-	(376)	-
	<b>3,420</b>	<b>(870)</b>	<b>(194)</b>	<b>(376)</b>	<b>1,980</b>
<b>Deferred tax liabilities</b>					
Fair valuation of financial instruments	(144)	53	(488)	-	(579)
Property, plant and equipment	(3,628)	1,149	-	-	(2,479)
	<b>(3,772)</b>	<b>1,202</b>	<b>(488)</b>	<b>-</b>	<b>(3,058)</b>
<b>Net deferred tax assets / (liabilities)</b>	<b>(352)</b>	<b>332</b>	<b>(682)</b>	<b>(376)</b>	<b>(1,078)</b>

\*Group's share of other comprehensive income pertaining to Joint Venture / associate entities amounting to ₹ 11 Lakhs (31 March 2021: ₹ 5 Lakhs) not included in the above.

### Note:

16.1 In respect of REVL, as part of its periodic assessment the management of REVL has reversed the unutilised MAT credit entitlements of ₹201 lakhs in the statement of profit and loss during the year under tax relating to earlier years.

- MAT Credit entitlements recognized in one of the earlier years of Rs. 179 Lakhs that is not likely to be utilised in the future before its expiry date
- Re-measurement impact (reduction) of Rs. 22 Lakhs in MAT Credit entitlement on account of an unfavorable income tax order received during the year in respect of one of the earlier years

16.2 In respect of RT4U, the management decided to reverse deferred tax assets recognized on account of carried forward business losses amounting to ₹581 Lakhs.

### Unrecognised deferred tax assets

Deferred tax assets have not been recognized in respect of the following tax losses relating to certain subsidiaries, because it is not probable that future taxable profit will be available against which such subsidiaries can use the benefits therefrom.

Particulars	As at 31 March 2022		As at 31 March 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses	24,627	6,627	19,863	5,363

## 17 Inventories

Particulars	As at 31 March 2022	As at 31 March 2021
(valued at lower of cost and net realizable value)		
Raw materials and components [included goods-in-transit amounting to ₹ 1,679 Lakhs (31 March 2021: ₹ 920 Lakhs)]	15,159	9,983
Work-in-progress	5,235	4,166
Finished goods [included goods-in-transit amounting to ₹ 1,485 Lakhs (31 March 2021: ₹ 1,880 Lakhs)]	14,299	9,231
Stores & spares	5,016	4,566
Stock-in-trade	286	90
	<b>39,995</b>	<b>28,036</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Note:

17.1. During the year ended 31 March 2022 the Group recorded inventory write-down expenses of ₹ 469 lakhs (31 March 2021: ₹357 lakhs).

17.2. The method of valuation of inventories has been stated in Note 2.15.

### 18 Trade receivables

Particulars	As at 31 March 2022	As at 31 March 2021
<b>From related parties</b>		
Trade receivables considered good - unsecured	468	934
	<b>468</b>	<b>934</b>
<b>From others</b>		
Trade receivables considered good - unsecured	58,145	48,627
Less: Loss allowance (expected credit loss allowance)	(1,066)	(946)
	<b>57,079</b>	<b>47,681</b>
	<b>57,547</b>	<b>48,615</b>

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on: a) Past trend of outstanding receivables over a rolling period of past 24 months and b) actual amount of outstanding receivables as on the reporting date.

Movement in expected credit loss allowance	Year ended 31 March 2022	Year ended 31 March 2021
Balance at beginning of the year	946	1,167
Movement in statement of profit and loss (refer note 37)	317	(6)
Foreign exchange adjustment	(31)	(5)
Amount written off during the year	(166)	(210)
Balance at end of the year	<b>1,066</b>	<b>946</b>

Outstanding for following periods from due date of payment	As at 31st March 2022					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,950	216	131	233	142	9,672
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
(vii) Amount not due	48,031	-	-	-	-	48,031
(viii) Unbilled revenue						910

Outstanding for following periods from due date of payment	As at 31st March 2021					Total
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	8,057	163	270	116	165	8,771
(ii) Undisputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables – credit impaired	-	-	-	-	-	-
(vii) Amount not due	39,932	-	-	-	-	39,932
(viii) Unbilled revenue						858

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 19 a. Cash and cash equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Cash on hand	8	24
Balance with banks in		
Current accounts	1,548	1,283
EEFC account	184	199
Deposit accounts	975	4,600
	2,715	6,106

Reconciliation of cash and cash equivalents as per the cash flow statement to as per the Balance sheet

Particulars	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents as per Balance sheet	2,715	6,106
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(58)	(4)
Bank overdraft availed for cash management purposes	(146)	(180)
Cash and cash equivalents as per the cash flow statement	2,511	5,922

### b. Bank balances other than above

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks in earmarked accounts		
Unclaimed dividend	95	102
Margin money accounts	-	112
Unpaid fractional shares account	1	1
	96	215

### 20 Share capital

Particulars	As at 31 March 2022	As at 31 March 2021
<b>a. Authorised share capital:</b>		
<b>Equity shares:</b>		
1,50,00,000 (31 March 2021: 1,50,00,000) equity shares of ₹ 10 each	1,500	1,500
<b>Preference shares:</b>		
50,00,000 (31 March 2021: 50,00,000) preference shares of ₹ 10 each	500	500
<b>b. Issued share capital:</b>		
1,42,77,809 (31 March 2021: 1,42,77,809) equity shares of ₹ 10 each	1,428	1,428
<b>c. Subscribed and paid up share capital:</b>		
1,42,77,809 (31 March 2021: 1,42,77,809) equity shares of ₹ 10 each fully paid up	1,428	1,428
	1,428	1,428

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 20.1 Reconciliation of number of shares

Particulars	2021-22		2020-21	
	Number of shares	Amount	Number of shares	Amount
Equity shares of ₹ 10 each fully paid up				
At the beginning and at the end of the year	1,42,77,809	1,428	1,42,77,809	1,428

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### 20.2 Details of promoter shareholding:

Promoter name	2021-22		2020-21		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Raman T G G	1,484,056	10.39%	1,484,056	10.39%	0.00%
Ganesh L & Meenakshi Ganesh	719,096	5.04%	712,196	4.99%	0.05%
Lakshman L & Pushpa Lakshman	702,560	4.92%	702,560	4.92%	0.00%
Rathika R Sundaresan	625,066	4.38%	625,066	4.38%	0.00%
Geetha Raman Subramanyam	625,065	4.38%	625,065	4.38%	0.00%
Ranjini R Iyer	625,065	4.38%	625,065	4.38%	0.00%
Meenakshi Ganesh & Ganesh L	305,430	2.14%	305,430	2.14%	0.00%
Vanaja Aghoram	275,635	1.93%	275,635	1.93%	0.00%
Lakshman L (HUF)	216,986	1.52%	216,986	1.52%	0.00%
Pushpa Lakshman & Lakshman L	195,199	1.37%	195,199	1.37%	0.00%
Ganesh L (HUF)	191,907	1.34%	191,907	1.34%	0.00%
Shanthi Narayan	144,924	1.02%	144,924	1.02%	0.00%
Harish Lakshman	139,817	0.98%	124,817	0.87%	0.11%
Aditya Ganesh	114,281	0.80%	114,281	0.80%	0.00%
Vinay Lakshman	106,698	0.75%	106,698	0.75%	0.00%
Aparna Ganesh	68,511	0.48%	68,511	0.48%	0.00%
Rama R Krishnan	61,452	0.43%	61,452	0.43%	0.00%
Malavika Lakshman	21,222	0.15%	18,722	0.13%	0.02%
Rekha Sundar	15,610	0.11%	15,610	0.11%	0.00%
Chitra Sundaresan	8,109	0.06%	8,109	0.06%	0.00%
Pravin Kumar	2,800	0.02%	2,800	0.02%	0.00%
Keshav Harish Lakshman	100	0.00%	100	0.00%	0.00%

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 20.3 Details of shares held by each shareholder holding more than 5 percent of equity shares in the Company:

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
<b>Fully paid up equity shares</b>				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Ganesh L & Meenakshi Ganesh	7,19,096	5.04%	7,12,196	4.99%
3. Sundaram Mutual Fund	2,16,660	1.52%	10,12,935	7.09%

#### 20.4 Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buyback of shares.

## 21 Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
General reserve	49,786	48,855
Retained earnings	17,259	17,666
Capital redemption reserve	1,473	1,430
Capital reserve	69	69
Securities premium	4,433	4,433
Hedge reserve	-	132
Amalgamation adjustment account	(13)	(12)
Foreign currency translation reserve	(574)	(1,025)
Capital reserve on consolidation	1,771	1,771
Equity instruments through OCI	1,990	1,702
	<b>76,194</b>	<b>75,021</b>

#### a. General reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	48,855	48,200
Acquisition of non-controlling interests	931	655
Balance at the end of the year	<b>49,786</b>	<b>48,855</b>

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### b. Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	17,666	25,316
Profit / (loss) for the year	2,414	(5,057)
Other comprehensive income	70	466
Acquisition of non-controlling interests	(2,891)	(2,488)
Payments of dividend on equity shares	-	(571)
<b>Balance at the end of the year</b>	<b>17,259</b>	<b>17,666</b>

Retained earnings are the profits that the Company has earned till date.

Balance of retained earnings at the end of the year includes cumulative other comprehensive loss arising from remeasurement of defined benefit obligations, net of tax, amounting to ₹ 391 lakhs as at 31 March 2022 (31 March 2021: ₹ 484 lakhs).

In respect of the year ended 31 March 2022, the directors proposed a dividend of ₹ 12 per share be paid to all holders of 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 total estimated equity dividend to be paid is ₹ 1,713 lakhs. In respect of the year ended 31 March 2021, the board did not recommend any dividend.

#### c. Capital redemption reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,430	1,358
Acquisition of non-controlling interests	43	72
<b>Balance at the end of the year</b>	<b>1,473</b>	<b>1,430</b>

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

#### d. Capital reserve

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning and end of the year</b>	<b>69</b>	<b>69</b>

The Group recognises profit or loss on purchase, sale, issue or cancellation of the Group's own equity instruments to capital reserve.

#### e. Securities premium

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Balance at the beginning and end of the year</b>	<b>4,433</b>	<b>4,433</b>

Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### f. Hedge reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	132	(184)
Addition during the year	(132)	309
Acquisition of non-controlling interests	-	7
<b>Balance at the end of the year</b>	<b>-</b>	<b>132</b>

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

#### g. Amalgamation adjustment account

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	(12)	(11)
Acquisition of non-controlling interests	(1)	(1)
<b>Balance at the end of the year</b>	<b>(13)</b>	<b>(12)</b>

At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes the amalgamation adjustment reserve of transferee Company.

#### h. Foreign currency translation reserve

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	(1,025)	(561)
Additions during the year	488	(343)
Acquisition of non-controlling interests	(37)	(121)
<b>Balance at the end of the year</b>	<b>(574)</b>	<b>(1,025)</b>

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to statement of profit or loss when the net investment is disposed-off.

#### i. Capital reserve on consolidation

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning and end of the year	1,771	1,771

It arises when the cost to the parent of its investment in a subsidiary is less than the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference should be treated as a capital reserve in the consolidated financial statements.

#### j. Equity instruments through OCI

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,702	412
Net gain/(loss) on FVOCI equity instruments, net of tax	288	1,290
<b>Balance at the end of the year</b>	<b>1,990</b>	<b>1,702</b>

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within equity. The Group transfers amounts therefrom to retained earnings when the relevant equity securities are derecognised.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 22 Non-controlling interests

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at beginning of year	22,113	23,044
Share of profit / (loss) for the year	1,092	(978)
Share of other comprehensive income	152	117
Acquisition of non-controlling interests	587	395
Payments of dividend on equity shares	(1,012)	(465)
	<b>22,932</b>	<b>22,113</b>

The following table summarises the information relating to each of the Group's subsidiaries that has NCI, before any intra-group eliminations:

For the year ended 31 March 2022

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
NCI percentage as at 31 March 2022	45.18%	28.23%	49.97%	1.41%	
Non-current assets	13,600	58,675	13,419	413	86,107
Current assets	17,559	64,312	26,475	649	1,08,995
Non-current liabilities	(4,831)	(27,699)	(580)	(275)	(33,385)
Current liabilities	(16,612)	(72,474)	(15,029)	(451)	(1,04,566)
Net assets	9,716	22,814	24,285	336	57,151
Less: Preference share subscribed by RHL	-	-	-	(2,785)	(2,785)
Net assets considered	9,716	22,814	24,285	(2,449)	54,366
Net assets attributable to NCI	4,390	6,442	12,135	(35)	22,932

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
NCI percentage as at 31 March 2022	45.18%	28.23%	49.97%	1.41%	
Revenue from operations	38,206	1,74,192	50,555	871	2,63,824
Profit	(1,186)	1,066	2,707	(1,349)	1,238
Other comprehensive income	11	557	(33)	51	586
Total comprehensive income	(1,175)	1,623	2,674	(1,298)	1,824
Profit allocated to NCI	(536)	353	1,416	(141)	1,092
Other comprehensive income allocated to NCI	5	163	(17)	1	152
Total comprehensive income allocated to NCI	(531)	516	1,399	(140)	1,244
Cash flows from (used in) operating activities	(1,730)	(565)	1,133	(337)	(1,499)
Cash flows from (used in) investing activities	(1,352)	(12,367)	(1,812)	(301)	(15,832)
Cash flows from (used in) financing activities (dividends to NCI - RBL - ₹ 1,012 Lakhs)	806	13,431	(2,171)	684	12,750
Net increase (decrease) in cash and cash equivalents	(2,276)	499	(2,850)	46	(4,581)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

For the year ended 31 March 2021

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
<b>NCI percentage as at 31 March 2021</b>	<b>45.18%</b>	<b>31.53%</b>	<b>52.43%</b>	<b>29.99%</b>	
Non-current assets	13,737	55,011	13,612	1,331	83,691
Current assets	16,489	48,206	24,790	221	89,706
Non-current liabilities	(6,817)	(22,967)	(694)	(453)	(30,931)
Current liabilities	(12,895)	(62,060)	(13,942)	(1,099)	(89,996)
Net assets	10,514	18,190	23,766	-	52,470
Less: Preference share subscribed by RHL	-	-	-	(2,785)	(2,785)
Net assets considered	10,514	18,190	23,766	(2,785)	49,685
<b>Net assets attributable to NCI</b>	<b>4,751</b>	<b>5,735</b>	<b>12,462</b>	<b>(835)</b>	<b>22,113</b>

Particulars	Rane Engine Valve Limited	Rane (Madras) Limited	Rane Brake Lining Limited	Rane T4U Private Limited	Total
<b>NCI percentage as at 31 March 2021</b>	<b>45.18%</b>	<b>31.53%</b>	<b>52.43%</b>	<b>29.99%</b>	
Revenue from operations	30,185	1,26,739	42,388	1,081	2,00,393
Profit	(609)	(6,113)	3,180	(752)	(4,294)
Other comprehensive income	13	417	68	16	514
Total comprehensive income	(596)	(5,696)	3,248	(736)	(3,780)
<b>Profit allocated to NCI</b>	<b>(275)</b>	<b>(2,162)</b>	<b>1,685</b>	<b>(226)</b>	<b>(978)</b>
<b>Other comprehensive income allocated to NCI</b>	<b>6</b>	<b>70</b>	<b>36</b>	<b>5</b>	<b>117</b>
<b>Total comprehensive income allocated to NCI</b>	<b>(269)</b>	<b>(2,092)</b>	<b>1,721</b>	<b>(221)</b>	<b>(861)</b>
Cash flows from (used in) operating activities	2,143	4,591	4,659	(218)	11,175
Cash flows from (used in) investing activities	1,657	(7,997)	(1,052)	(2)	(7,394)
Cash flows from (used in) financing activities (dividends to NCI - RBL - ₹ 465 Lakhs)	(1,491)	2,106	(2,412)	219	(1,578)
Net increase (decrease) in cash and cash equivalents	2,309	(1,300)	1,195	(1)	2,203

#### Acquisition of NCI:

During the year, the Group ownership interest in Rane (Madras) Limited changed from 68.48% to 71.77% (31 March 2021: from 63.42% to 68.48%); Rane Brake Linings Limited from 47.57% to 50.03% (31 March 2021: 46.59% to 47.57%); Rane t4U Private Limited from 70.01% to 98.59% (31 March 2021: 70.01%). Consequent to this, amounts paid in excess of the carrying value of the NCI was recognised in equity.

## 23 Borrowings

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>(Secured - at amortised cost)</b>				
Term loans				
from banks	22,487	22,022	7,281	7,782
from others	5,150	5,791	750	582
Loans repayable on demand	-	-	7,892	4,704
Other loans from banks	-	-	21,828	14,380
<b>(Unsecured - at amortised cost)</b>				
Term loans				
from banks	4,533	2,896	1,600	342
from others	261	406	143	127
Other loans from banks	-	-	5,456	2,884
Bills discounting	-	-	298	507
	32,431	31,115	45,248	31,308
<b>Working capital loan (at amortised cost)</b>				
<b>From banks</b>				
Secured loans	-	-	-	3,677
	32,431	31,115	45,248	34,985

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 23.1 The terms of repayment of term loans are given below

As at 31 March 2022

##### Secured

Particulars	Amount	Loan taken by	Terms of repayment
HDFC Bank - INR Long Term Loan	92	RML	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	582	RML	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	898	RML	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering Moratorium announced by RBI)
HDFC Bank - INR Long Term Loan	3,900	RML	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	3,098	RML	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	6,375	RML	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	9,238	RML	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period
Term loan from Federal Bank Limited (Loan 1)	461	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from June 2020 with 12 months of moratorium period
Term loan from Federal Bank Limited (Loan 2)	377	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from September 2020 with 12 months of moratorium period
HDFC Bank Limited	180	RHL	During the year ended, 31 March 2022 the Company has availed the term Loan of ₹ 180 Lakhs from HDFC Bank Limited. The loan is repayable in 20 equal quarterly instalments commencing from June 2022 .
HDFC Bank Ltd - Loan 4	1,098	REVL	Repayable in 12 equal quarterly instalments commencing from April 2022
HDFC Bank Ltd - Loan 5	98	REVL	Repayable in 12 equal quarterly instalments commencing from Dec 2023
Federal Bank Ltd	1,131	REVL	Repayable in 14 equal quarterly instalments commencing from November 2020.
HDFC Bank Ltd (ECLGS Loan)	1,054	REVL	Repayable in 48 equal quarterly instalments commencing from April 2022
Federal Bank Ltd (ECLGS Loans)	1,186	REVL	Repayable in 48 equal quarterly instalments commencing from April 2022
<b>Secured loan from banks</b>	<b>29,768</b>		
Term loan from Axis Finance Limited	5,900	RHL	The Company has availed the Term loan of ₹ 5,900 Lakhs in multiple tranches from Axis Finance Limited. The loan is repayable in 20 unequal quarterly instalments commencing from September 2022 with 18 months of moratorium period
Secured loan from others	5,900		

##### Unsecured

Particulars	Amount	Loan taken by	Terms of repayment
Axis Bank - INR Long Term Loan	6,133	RML	Repayable in 48 equal monthly Installments commencing from February 2022 with 1 year of moratorium period
<b>Unsecured loan from banks</b>	<b>6,133</b>		
Term Loan from Tata Capital Financial Services Private Limited	404	Rane t4u	<p>Loan availed ₹.500 Lakhs is repayable in 33 equated monthly installments of ₹15.15 Lakhs each commencing from Feb-2018. Interest is payable on monthly basis commencing from 31 October, 2017</p> <p>Loan availed ₹200 Lakhs is repayable in 48 equated monthly installments of ₹5.09 Lakhs each commencing from Sep-2019. Interest is payable on monthly basis commencing from 15 December, 2018</p> <p>Loan availed ₹200 Lakhs is repayable in 48 monthly installments of ₹4.17 Lakhs each commencing from November-2020. Interest is payable on monthly basis commencing from 15 December, 2019</p> <p>Loan availed ₹89 Lakhs is repayable in 48 monthly installments of ₹1.86 Lakhs each commencing from April-2021. Interest is payable on monthly basis commencing from 15 April, 2020</p> <p>Loan availed ₹100 Lakhs is repayable in 48 equated monthly installments of ₹2.08 Lakhs each commencing from Nov-2020. Interest is payable on monthly basis commencing from 15 December, 2019</p>
<b>Unsecured loan from others</b>	<b>404</b>		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

As at 31 March 2021

#### Secured

Particulars	Amount	Loan taken by	Terms of repayment
HDFC Bank - INR Long Term Loan	264	RML	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	505	RML	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	533	RML	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	1,249	RML	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	1,272	RML	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering moratorium announced by RBI)
Federal Bank - INR Long Term Loan	8,500	RML	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	1,176	RML	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	367	RML	Repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	8,290	RML	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period
Term loan from Tata Capital Financial Services Limited [TCFSL] (Loan 2)	-	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 11 equal quarterly Instalments commencing from January 2020. During the year ended 31 March 2022, the company made a prepayment in addition to regular repayment installment and closed the loan
Term loan from Tata Capital Financial Services Limited [TCFSL] (Loan 3)	-	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 10 equal quarterly Instalments commencing from June 2020. During the year ended 31 March 2022, the company made a prepayment in addition to regular repayment instalment and closed the loan
Term loan from Federal Bank Limited (Loan 1)	692	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from June 2020 with 12 months of moratorium period.
Term loan from Federal Bank Limited (Loan 2)	627	RHL	The loan was availed during the year ended 31 March 2020 in multiple tranches. The loan is repayable in 16 equal quarterly instalments commencing from September 2020 with 12 months of moratorium period.
HDFC Bank Ltd - Loan 3	1,273	REVL	Repayable in 12 equal quarterly instalments commencing from October 2019.
HDFC Bank Ltd - Loan 4	1,120	REVL	Repayable in 12 equal quarterly instalments commencing from April 2022.
Federal Bank Ltd	1,696	REVL	Repayable in 14 equal quarterly instalments commencing from November 2020.
HDFC Bank Ltd (ECLGS Loan)	1,054	REVL	Repayable in 48 equal quarterly instalments commencing from April 2022.
Federal Bank Ltd (ECLGS Loans)	1,186	REVL	Repayable in 48 equal quarterly instalments commencing from April 2022.
<b>Secured loan from banks</b>	<b>29,804</b>		

Particulars	Amount	Loan taken by	Terms of repayment
Term loan from Tata Capital Financial Services Limited [TCFSL] on 19 December 2019 (Loan 2)	273	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 11 equal quarterly Instalments commencing from January 2020.
Term loan from Tata Capital Financial Services Limited [TCFSL] on 17 March 2020 (Loan 3)	600	RHL	The loan was availed during the year ended 31 March 2020. The loan is repayable in 10 equal quarterly Instalments commencing from June 2020.
Term loan from Axis Finance Limited	5,500	RHL	During the year ended 31 March 2021, the RHL has availed the Term loan of ₹ 5,500 Lakhs in multiple tranches from Axis Finance Limited. The loan is repayable in 20 unequal quarterly instalments commencing from September 2022 with 18 months of moratorium period.
<b>Secured loan from others</b>	<b>6,373</b>		

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### Unsecured

Particulars	Amount	Loan taken by	Terms of repayment
Paycheck Protection Program Loan	1,938	RML	The principal and accrued interest are payable after 2 years from the date of the borrowing note which is 9 April 2020
Axis Bank - INR Long Term Loan	1,000	RML	Repayable in 48 equal monthly Installments commencing from March 2022 with 1 year of moratorium period
Term loan from Axis Bank Limited	300	Rane t4u	Loan availed repayable in 12 monthly installments of ₹ 25 lakhs each commencing from April 2021. Interest is payable on monthly basis commencing from 14 August 2020
<b>Unsecured loan from banks</b>	<b>3,238</b>		
Term Loan from Tata Capital Financial Services Private Limited	533	Rane t4u	Loan availed ₹ 500 Lakhs is repayable in 33 equated monthly installments of ₹ 15 Lakhs each commencing from February 2018. Interest is payable on monthly basis commencing from 31 October 2017
			Loan availed ₹ 200 Lakhs is repayable in 48 equated monthly installments of ₹ 5 Lakhs each commencing from September 2019. Interest is payable on monthly basis commencing from 15 December 2018.
			Loan availed ₹ 200 Lakhs is repayable in 48 monthly installments of ₹ 4 Lakhs each commencing from November 2020. Interest is payable on monthly basis commencing from 15 December 2019
			Loan availed ₹ 89 Lakhs is repayable in 48 monthly installments of ₹ 2 Lakhs each commencing from April 2021. Interest is payable on monthly basis commencing from 15 April 2020
			Loan availed ₹100 Lakhs is repayable in 48 equated monthly installments of ₹ 2 Lakhs each commencing from Nov 2020. Interest is payable on monthly basis commencing from 15 December 2019
<b>Unsecured loan from others</b>	<b>533</b>		

#### 23.2 The terms of working capital secured loans is given below

##### As at 31 March 2021

Particulars	Amount	Loan taken by	Terms of repayment
Loan from EXIM Bank	3,677	RML	Working capital loan is repayable as bullet repayment by July 2021.

#### 23.3 Summary of borrowing arrangements

##### 1. In respect of RML:

##### Secured loan

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2022 and 2021 are secured by a charge created on the Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties)

EXIM Bank Loan is secured against all movable property, plant and equipment, current assets of Rane Light Metal Castings Inc. and shares of Rane Light Metal Castings Inc. held by Rane (Madras) International Holdings B.V.

EXIM Bank loan availed by Rane Light Metal Castings Inc. during the year has been secured against an unconditional and irrevocable Standby Letter of Credit provided and by a charge created on the Rane Light Metal Castings Inc.'s fixed assets both present and future (excluding Velachery and Mysuru properties).

As at 31 March 2022, the interest rate for INR loans range from 6.03% p.a to 6.50% p.a (31 March 2021: 5.8% p.a to 6.25% p.a); The interest rate for USD loans range from LIBOR (6 months) + 230 bps p.a to LIBOR (6 months) + 375bps p.a.

##### Short-term borrowings

Secured loans include cash credit, packing credit, Buyers credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2022 and 2021 are secured on a pari passu basis by way of hypothecation of inventories and book debts

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

EXIM Bank loan is secured against all movable property, plant and equipment, current assets of Rane Light Metal Castings Inc. and shares of Rane Light Metal Castings Inc. held by Rane (Madras) International Holdings B.V.

There is no breach of covenants relating to loan arrangements.

### 2. In respect of RHL:

The interest rate range from 5.79% p.a to 9.65% p.a (31 March 2021: 5.72% p.a to 9.65% p.a)

The term loans outstanding as at 31 March 2022 which are availed from Federal Bank Limited and HDFC Bank Limited are secured by a Pari-passu charge created on the Company's land located at Teynampet, Chennai and loan availed from Axis Finance Limited are secured by a first charge created on the Company's land and building located at Perungudi, Chennai

Term loans were applied for the purpose for which the loans were obtained.

The Company has not been declared as wilful defaulters by any Bank or Financial institutions or government or any government authority

There is no breach of covenants relating to loan arrangements.

### 3. In respect of REVL:

Rupee Term loans are secured by Pari-passu basis first charge on the company's immovable and movable fixed assets both present and future

ECLGS loans are secured as stated below:

HDFC Bank - Secured by second rank charge on all existing primary and collateral securities including mortgages created in favour of the Bank.

Federal Bank - Security interest/charge on all movable/immovable assets created out of the ECLGS Loan. Second charge on all primary and collateral securities available for the existing facilities with REVL

The interest rate for loans range from 6.50 % p.a to 8.75 % p.a (31 March 2021: 6.50 % p.a to 8.75 % p.a)

Short term borrowings are secured with first pari-passu charge by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company, both present and future.

Bill discounting from Banks represents liability in respect of vendor financing facility availed by certain customers with recourse to REVL. None of the above loans have been guaranteed by any Directors or others.

Quarterly stock statements filed by the Company with banks are in agreement with the books of accounts.

The Company has used the borrowings from banks availed during the year for the specific purpose for which it was taken.

There has been no default as on Balance Sheet date in repayment of principal and interest.

### 4. In respect of Rane t4u:

#### Short-term borrowings

Working Capital facilities (fund based) from HDFC Bank Limited (secured):

Secured by way of exclusive charge on the current assets of Rane t4u and comfort letter from M/s. Rane Holdings Limited (Holding Company). The cash credit facility is payable on demand as per the latest sanction letter dated 10 January 2019. The total limit sanctioned in ₹ 600 Lakhs with sub limits for purchase bill discounting and bank guarantee. During the year the limit has been revised to ₹ 400 Lakhs vide sanction letter dated 18 March 2022.

The interest rate range from 9.00% p.a to 10.75% p.a (31 March 2021: 7.22% p.a to 10.75% p.a)



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 23.4 Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Short-term borrowings	Long-term borrowings
Balance as at 1 April 2020	27,711	35,567
<b>Changes from financing cash flows</b>		
Proceeds from long term borrowings	-	16,696
Repayment of long term borrowings	-	(12,513)
Proceeds / (repayment) of short term borrowings (net)	(1,375)	-
<b>Other changes</b>		
Others	(4,237)	3,875
Interest expense	3,874	-
Interest paid	(3,498)	-
Balance as at 31 March 2021	22,475	43,625
<b>Changes from financing cash flows</b>		
Proceeds from long term borrowings	-	18,058
Repayment of long term borrowings	-	(10,201)
Proceeds / (repayment) of short term borrowings (net)	5,266	-
<b>Other changes</b>		
Others	(7,221)	6,276
Interest expense	3,299	-
Interest paid	(3,898)	-
Balance as at 31 March 2022	19,921	57,758

### 24 Other financial liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Interest accrued but not due on borrowings	-	-	123	125
Derivative liabilities	-	-	22	16
Security deposits	142	-	126	48
Unclaimed dividend	-	-	95	102
Employee related dues	-	-	4,530	3,233
Capital creditors (refer note 24.3)	-	-	627	226
Commission payable	-	-	295	191
Others (refer note 24.1 & 24.2)	-	2	1,920	1,537
	142	2	7,738	5,478

24.1 Others include an accrued amount of ₹59 Lakhs in the earlier years towards arrears of lease rent for the land taken under lease and dealer incentives and royalty payable amounting to ₹1,337 Lakhs and ₹305 Lakhs respectively relating to one of its subsidiary as at 31 March 2022.

24.2 The Group's exposure to credit risk and market risk are disclosed in note no 48.

24.3 Capital creditors includes an amount of ₹ 135 lakhs (31 March 2021 : ₹ Nil ) due to Micro Small and Medium Enterprises.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 25 Provisions

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
<b>Provisions for employee benefits</b>				
Gratuity (refer note 39)	826	843	210	269
Leave encashment	1,925	1,880	284	295
Pension plan (refer note 39)	1,326	1,369	-	-
<b>Other provisions (refer note 25.1)</b>				
Product warranty	-	-	485	1,083
Others	-	-	77	180
	<b>4,077</b>	<b>4,092</b>	<b>1,056</b>	<b>1,827</b>

Note 25.1 Movements in each class of provision during the financial year, are set out below:

Particulars	Product warranty		Others	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	1,083	742	180	571
Add: Provision made during the year	527	341	-	-
Less: Provision used against claims settled during the year	(1,125)	-	(103)	(391)
Balance at the end of the year	<b>485</b>	<b>1,083</b>	<b>77</b>	<b>180</b>

### 26 Other liabilities

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Deferred income	200	91	102	181
Advances and deposits from customers	-	-	68	18
Tooling advance	1,154	1,007	614	683
Statutory dues	-	-	1,547	1,407
Unearned revenue	-	-	30	23
Others	-	-	2	2
	<b>1,354</b>	<b>1,098</b>	<b>2,363</b>	<b>2,314</b>

### 27 Current tax liabilities (net)

Particulars	As at 31 March 2022	As at 31 March 2021
Provision for tax (net of tax paid)	3	253
	<b>3</b>	<b>253</b>

### 28 Trade payables

Particulars	As at 31 March 2022	As at 31 March 2021
i. Total outstanding dues of micro enterprises and small enterprises	3,098	2,685
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	46,818	43,535
	<b>49,916</b>	<b>46,220</b>

The Group's exposure to credit and liquidity risk related to trade payables is disclosed in note 48

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Outstanding for following periods from due date of payment	As at 31st March 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	340	2	-	-	342
(ii) Undisputed dues - Others	18,618	172	113	232	19,135
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
(V) Not due - MSME	2,756	-	-	-	2,756
(Vi) Not due - Others	22,249	-	-	-	22,249
	43,963	174	113	232	44,482
(Vii) Unbilled	-	-	-	-	5,434
<b>Total</b>					<b>49,916</b>

Outstanding for following periods from due date of payment	As at 31st March 2021				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	240	-	-	-	240
(ii) Others	15,744	(316)	109	188	15,725
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-
(V) Not due - MSME	2,445	-	-	-	2,445
(Vi) Not due - Others	20,437	5,046	-	-	25,483
	38,866	4,730	109	188	43,893
(Vii) Unbilled	-	-	-	-	2,327
<b>Total</b>					<b>46,220</b>

### 29 Revenue from operations

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>a. Sale of products &amp; services</b>		
Sale of products	2,58,644	1,95,954
Sale of services	5,052	4,425
	<b>2,63,695</b>	<b>2,00,379</b>
<b>b. Other operating revenue</b>		
Scrap sales	2,654	1,412
Sale of raw materials	316	682
Export incentives	1,060	1,062
Others	5	1
	<b>4,035</b>	<b>3,157</b>
<b>Total</b>	<b>2,67,730</b>	<b>2,03,536</b>

#### Reconciliation of revenue from sale of products

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gross revenues	2,63,761	2,00,341
Less: Customer discount	(5,117)	(4,387)
<b>Net revenues from sale of products</b>	<b>2,58,644</b>	<b>1,95,954</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### Reconciliation of revenue from sale of services

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Gross revenues	5,052	4,425
Less: Customer discount	-	-
<b>Net revenues from sale of services</b>	<b>5,052</b>	<b>4,425</b>

#### a) Disaggregation of the revenue information:

The Group offers various products and services related to manufacture and supply of auto components and providing technological services for transportation industry. As per the management, the disaggregation of revenue based on geography are depicted in Note 41.

#### b) Trade receivables:

The Group classifies the right to consideration in exchange for services/deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer/when the related services are rendered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

#### c) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Receivables, included under trade receivables	57,547	48,615
Contract liabilities included under advance from customers	68	18
<b>Contract liabilities included under deferred and unearned revenue</b>	<b>332</b>	<b>295</b>

The contract liabilities primarily relate to the advance consideration received from customers for manufacturing of products.

The amount of ₹313 lakhs included in contract liabilities as at 31 March 2021 has been recognised as revenue for the year ended 31 March 2022 (31 March 2021: ₹676 lakhs).

## 30 Other income

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest income earned on financial assets		
- from bank deposits	152	245
- Income tax refund	14	40
- Others	8	12
Gain on current investments mandatorily measured at FVTPL	18	14
Net foreign exchange gain	1	394
Gain on write back of financial liabilities carried at amortised cost	1,249	1,097
Gain on sale of property, plant and equipment	32	22
Gain on sale of non-current investment (refer note 9.1)	1,564	-
Government grant income	168	168
Other non-operating income	530	174
	<b>3,736</b>	<b>2,166</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 31 Cost of materials consumed

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening stock of raw materials	9,983	8,584
Add: Purchase of raw materials (Including raw materials acquired through business combination of ₹184 lakhs (refer Note 3.7))	1,50,669	1,00,285
Less: Closing stock of raw materials	15,159	9,983
	<b>1,45,493</b>	<b>98,886</b>
Freight inward	2,639	2,133
Job work expenses	7,904	6,040
<b>Cost of materials consumed</b>	<b>1,56,036</b>	<b>1,07,059</b>

#### 32 Purchase of stock-in-trade

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Purchase of stock-in-trade	1,089	605

#### 33 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Inventories at the end of the year:		
Finished goods	14,299	9,231
Work-in-progress	5,235	4,166
Stock-in-trade	286	90
	<b>19,820</b>	<b>13,487</b>
Inventories at the beginning of the year:		
Finished goods	9,231	12,791
Work-in-progress	4,166	3,525
Stock-in-trade	90	153
	<b>13,487</b>	<b>16,469</b>
<b>Net (increase)/decrease</b>		
Finished goods	(5,068)	3,560
Work-in-progress	(1,069)	(641)
Stock-in-trade	(196)	63
	<b>(6,333)</b>	<b>2,982</b>

#### 34 Employee benefits expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Salaries and wages	40,250	33,442
Contribution to provident and other funds (Refer note 39)	4,185	4,105
Staff welfare expenses	3,567	2,598
	<b>48,002</b>	<b>40,145</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

### 35 Finance costs

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest expense on financial liabilities measured at amortised cost		
- loans	3,093	3,705
- lease liabilities	106	97
Other interest costs	12	-
Other borrowing costs	206	169
	<b>3,417</b>	<b>3,971</b>

### 36 Depreciation and amortisation expense

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Depreciation of property, plant and equipment	12,122	11,197
Amortisation of intangible assets	440	527
Depreciation of right-of-use assets	322	312
	<b>12,884</b>	<b>12,036</b>

### 37 Other expenses

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Consumption of stores and spares	10,138	7,408
Power & fuel	9,926	7,870
Rent (refer note 44d.)	381	261
Rates & taxes	500	457
Insurance	1,451	1,536
Repairs and maintenance		
- Building	569	485
- Plant & equipment	5,370	4,334
- Others	1,347	1,440
Administration expenses	548	493
Directors' sitting fees	67	11
Chairman emeritus & CMD commission (refer note 40)	295	244
Payment to auditors	123	120
Advertisement and sales promotion	474	742
Loss on disposal of property, plant & equipment	9	9
Net foreign exchange loss	219	198
Freight & cartage outward	4,876	3,515
Travel expenses	1,296	882
Corporate social responsibility expenditure	215	256
Professional charges	2,860	1,670
Information systems expenses	931	1,216
Packing, forwarding & dispatching	8,325	6,525
Warranty and other claims	527	342
Royalty and technical fees	627	515
Impairment of financial assets	317	(6)
Bad debts written off	-	128
Miscellaneous expenses	974	876
	<b>52,365</b>	<b>41,527</b>

37.1 The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

37.2 The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

37.3 The Group has no transactions with struck off companies during the year

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

- 37.4 The Group has not advanced or loaned funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- 37.5 The Group has not received any fund from any persons or entities, including foreign entities with the understanding that the Group shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 37.6 The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period
- 37.7 Prior year figures have been reclassified wherever necessary to conform to current year's classification

### 38 Income taxes

#### Income tax recognised in profit or loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
<b>Current tax:</b>		
In respect of current year	3,746	2,966
In respect of earlier years (refer note 38.1)	295	771
<b>Deferred tax:</b>		
In respect of current year	(189)	(836)
<b>Income tax expense recognised in profit or loss</b>	<b>3,852</b>	<b>2,901</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit / (loss) before tax	7,358	(3,134)
Income tax expense calculated at the Holding Company's tax rate of 25.168% (2020-21: 25.168%)	1,852	(789)
Differences in tax rates applicable to individual entities and impact of unrecognised deferred tax assets	407	2,195
Effect of Income Chargeable at Special Rates	(68)	-
Share of profit of equity accounted investee	185	688
Non deductible expense	492	86
Deductions under Chapter VI A	(9)	(13)
Tax incentives	-	(7)
Current tax for earlier years (refer note 38.1)	295	771
Tax exempt income	(55)	(89)
Others	753	59
<b>Income tax expense recognised in profit or loss</b>	<b>3,852</b>	<b>2,901</b>

#### Income tax recognised in other comprehensive income:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax on remeasurement of defined benefit obligation	16	(52)
Equity investment through other comprehensive income		
i. Current tax	(110)	(48)
ii. Deferred tax	10	(488)
Deferred tax on impact of cash flow hedges	-	(150)
<b>Total income tax recognised in other comprehensive income</b>	<b>(84)</b>	<b>(738)</b>
<b>Total current tax recognised in other comprehensive income</b>	<b>(110)</b>	<b>(48)</b>
<b>Total deferred tax recognised in other comprehensive income</b>	<b>26</b>	<b>(690)</b>

Note:

38.1 Includes amount pertaining to pending income tax litigations for certain assessment years, which the Company has opted to settle under the Vivad Se Vishwas scheme. In view of this, RHL has created a provision of ₹ 733 lakhs for the year ended 31 March 2021 towards income-tax in respect of earlier years.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 39 Employee benefit plans

##### A. Defined contribution plans

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

##### (a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees of the Group in India and the Group make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

##### (b) Superannuation fund

The Group entities in India have a superannuation plan for the benefit of its employees. The Group entities in India contribute up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The group does not have any further obligation beyond this contribution.

The total expense recognised in profit / (loss) of ₹ 1,499 Lakhs (for the year ended 31 March 2021: ₹ 1,426 Lakhs) represents contributions payable to these plans by such entities at rates specified in the rules of the plans.

##### B. Defined benefit plans

The defined benefit plans operated by the Group are as below:

Particulars	Non-current		Current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Gratuity liability	826	843	210	269
Gratuity asset	-	-	(53)	(15)
Provision for pension plan	1,326	1,369	-	-
	2,152	2,212	157	254

##### (a) Gratuity

The Group's entities in India have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Some of the entities in the Group makes annual contributions to gratuity funds established as trusts or insurance companies. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Group to actuarial risks such as investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

The following table summarizes the position of assets and obligations relating to the plan:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Present value of funded defined benefit obligation	7,520	7,012
Fair value of plan assets	6,537	5,916
<b>Net liability arising from defined benefit obligation</b>	<b>983</b>	<b>1,097</b>
Current	157	254
Non-current	826	843

(i) Movements in the present value of the defined benefit obligation are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening defined benefit obligation	7,012	6,770
Current service cost	501	558
Provision assumed on account of business combination (refer note 3.7)	12	-
Interest cost	465	422
Remeasurement (gains) / losses :		
Actuarial (gains) and losses arising from changes in demographic assumptions	41	(154)
Actuarial (gains) and losses arising from changes in financial assumptions	50	(116)
Actuarial (gains) and losses arising from experience adjustments	(51)	(21)
Benefits paid	(510)	(447)
<b>Closing defined benefit obligation</b>	<b>7,520</b>	<b>7,012</b>

(ii) Movements in the fair value of the plan assets

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Opening fair value of plan assets	5,914	4,656
Interest income	290	199
Remeasurement gain / (loss):		
Return on plan assets (excluding amounts included in net interest expense)	202	54
Contributions from the employer	614	1,448
Benefits paid	(482)	(441)
<b>Closing fair value of plan assets</b>	<b>6,537</b>	<b>5,916</b>

(iii) Amounts recognized in statement of profit and loss & other comprehensive income in respect of these defined benefit plans are as follows:

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Current service cost	513	558
Net interest expense	72	99
Components of defined benefit costs recognised in profit or loss	585	657
<b>Remeasurement on the net defined benefit liability*:</b>		
Actuarial (gains) / losses arising from changes in demographic assumptions	41	(155)
Actuarial (gains) / losses arising from changes in financial assumptions	(33)	(67)
Actuarial (gains) / losses arising from experience adjustments	(52)	(22)
Components of defined benefit costs recognised in other comprehensive income	(44)	(244)
<b>Total</b>	<b>541</b>	<b>413</b>

\*Group's share of other comprehensive income pertaining to Joint Venture / associate entities amounting to ₹35 lakhs (31 March 2021: ₹15 lakhs) not included in the above.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

#### (iv) Risk Exposure

The Group has invested the plan assets with the insurer managed funds. The entire plan assets are managed by Life Insurance Corporation of India (LIC). The data on plan assets has not been furnished by LIC. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the Group's policy for plan asset management and other relevant factors.

(v) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation as at	
	31 March 2022	31 March 2021
Discount rate(s)	5.40% to 7.32%	4.20% to 6.91%
Expected rate(s) of salary increase		
Executives and staff	4.50% to 12.00%	4.50% to 12.00%
Operators	4.50% to 12.00%	4.50% to 12.00%
Attrition rate		
Executives and staff	3.00% to 40.00%	3.00% to 47.00%
Operators	1.00% to 8.00%	1.00% to 5.00%

#### (vi) Sensitivity analysis

Change in assumption	Valuation as at	
	31 March 2022	31 March 2021
A. Discount rate + 50 BP	5.65% to 7.82%	4.70% to 7.41%
Defined Benefit Obligation	4,836	4,345
Current service cost	316	293
B. Discount rate - 50 BP	4.90% to 6.82%	3.70% to 6.41%
Defined Benefit Obligation	5,318	4,769
Current service cost	383	355
C. Salary escalation rate +50 BP	5.00% & 12.50%	5.00% & 12.50%
Defined Benefit Obligation	5,318	4,772
Current service cost	383	356
D. Salary escalation rate -50 BP	4.00% & 11.50%	4.00% & 11.50%
Defined Benefit Obligation	4,838	4,343
Current service cost	318	295

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

The weighted average duration of the defined obligation (range) is 2.29 to 10.50 years (31 March 2021: 2.22 to 11.75 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2022	31 March 2021
Year 1	594	597
Year 2	687	563
Year 3	373	419
Year 4	632	389
Year 5	478	626
Next 5 Years	3,086	2,540

#### In respect of a US subsidiary of Rane (Madras) Limited [Rane Light Metal Casting Inc.]

##### A. Defined contribution plans

Rane Light Metal Castings Inc. has a 401k plan set up for its employees. The contributions payable to these plans by Rane Light Metal Castings Inc. are at rates specified in the rules of the schemes.

The total expense recognised in profit or loss of ₹ 108 Lakhs (for the year ended 31 March 2021: ₹ 114 Lakhs) represents contributions payable to these plans by LMCA at rates specified in the rules of the plans.

##### B. Defined benefit plans

###### Pension -

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

- \$23:00 multiplied by years of benefit service from December 2003 to 10 October 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to 09 October 2006; plus
- \$25:00 multiplied by years of benefit service from 09 October 2006, to 08 October 2007; plus
- \$26:00 multiplied by years of benefit service from 08 October 2007 to 16 December 2010; plus
- \$16:00 multiplied by benefit service after 16 December 2010.

###### Disability benefit:

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

###### Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year. The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. Rane Light Metal Castings Inc. contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor, USA.

Rane Light Metal Casting Inc. is exposed to various risks in providing the above pension benefit which are as follows:

**Interest rate risk:** The plan exposes Rane Light Metal Castings Inc. to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements)

**Investment risk:** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment

**Salary escalation risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Demographic risk: Rane Light Metal Casting Inc. has used certain mortality and attrition assumptions in valuation of the liability. LMCA is exposed to the risk of actual experience turning out to be worse compared to the assumption

(i) Movements in the present value of the defined benefit obligation are as follows:

Particulars	2021-22	2020-21
Present value of obligations at the beginning of the year	4,892	5,014
Current service cost	54	60
Interest cost	153	150
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	35	(47)
- Actuarial gains and losses arising from financial assumptions	(275)	(23)
Benefits paid	(155)	(137)
Foreign currency translation adjustment	143	(125)
Present value of obligations at the end of the year	4,847	4,892

(ii) Movements in the fair value of the plan assets

Particulars	2021-22	2020-21
Fair value of plan assets at beginning of year	3,523	2,892
Interest income	110	87
Contributions from the employer	129	306
Benefits paid	(155)	(138)
Return on plan assets, excluding interest income	(190)	455
Foreign currency translation adjustment	104	(79)
Fair value of plan assets at the end of the year	3,521	3,523

(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	2021-22	2020-21
Present value of funded defined benefit obligation	4,847	4,892
Fair value of plan assets	3,521	3,523
Net liability arising from defined benefit obligation	1,326	1,369
Current	-	-
Fair value of plan assets at the end of the year	1,326	1,369

(iv) Amounts recognized in statement of profit and loss in respect of these defined benefit plans are as follows:

Particulars	2021-22	2020-21
Current service cost	54	60
Net Interest expense	43	64
Components of defined benefit costs recognized in profit or loss	97	123
Components of defined benefit cost recognized in other comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	(240)	(70)
Return on plan assets	190	(455)
Net income / (cost) in other comprehensive income	(50)	(525)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Assumptions	2021-22	2020-21
Discount rate	3.08%	3.08%
Expected rate of salary increases		
Executives Managers & below / Senior Manager & above	0.00%	0.00%
Operators	0.00%	0.00%
Expected rate of attrition		
Rate of employee turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table

Rane Light Metal Castings Inc. has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

#### Sensitivity analysis

Particulars	As at 31 March 2022	As at 31 March 2021
Projected benefit obligation on current assumptions	4,847	4,892
Delta effect of +0.5% change in rate of discounting	(329)	(366)
Delta effect of -0.5% change in rate of discounting	368	412

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

#### Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	31 March 2022
Year 1	188
Year 2	189
Year 3	198
Year 4	205
Year 5	215
Next 5 Years	1,189

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

#### 40 Related party disclosures

Description of relationship	Name of the related party
<b>List of related parties where joint control exists</b>	
Joint venture / associate entities	ZF Rane Automotive India Private Limited (ZRAI) (formerly known as Rane TRW Steering Systems Private Limited (RTSS))
	Rane NSK Steering Systems Private Limited (RNSS)
<b>Other related parties where transactions have taken place</b>	
Key Management Personnel (KMP)	Mr. L Ganesh
	Mr. Harish Lakshman
Relative of KMP	Mr. L Lakshman
	Mr. Aditya Ganesh
Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
Post employment benefit plans	Rane Holdings Limited Gratuity Fund
	Rane Holdings Limited Senior Executives Superannuation Fund
	Rane Madras Employee Gratuity Fund
	Rane Madras Employee Senior Executives Pension Fund
	Rane Engine Valve Limited Employees Gratuity Fund
	Rane Engine Valve Limited Senior Executives Pension Fund
	Rane Brake Lining Limited Employees Gratuity Fund
	Rane Brake Lining Limited Senior Executives Pension Fund

#### Details of related party transactions and balances:

Description	Joint venture / associate entities		Key management personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<b>Transaction during the year</b>										
<b>Fee for services rendered</b>										
ZRAI	810	757	-	-	-	-	-	-	-	-
RNSS	734	534	-	-	-	-	-	-	-	-
<b>Trademark fee income</b>										
ZRAI	1,275	982	-	-	-	-	-	-	-	-
RNSS	1,401	1,064	-	-	-	-	-	-	-	-
<b>Fee for services received</b>										
Rane Foundation	-	-	-	-	-	-	5	-	-	-
<b>Other income</b>										
ZRAI	12	-	-	-	-	-	-	-	-	-
<b>Sales</b>										
ZRAI	1,319	767	-	-	-	-	-	-	-	-
<b>Purchases</b>										
ZRAI	314	303	-	-	-	-	-	-	-	-
RNSS	3,082	1,769	-	-	-	-	-	-	-	-
<b>Reimbursement of expenses from</b>										
ZRAI	30	12	-	-	-	-	-	-	-	-



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Description	Joint venture / associate entities		Key management personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
RNSS	40	-								
Reimbursement of expenses to										
ZRAI	2	1	-	-	-	-	-	-	-	-
Dividend received										
ZRAI	612	350	-	-	-	-	-	-	-	-
CSR contributions to										
Rane Foundation	-	-	-	-	-	-	132	176	-	-
Advisory fee paid										
L Lakshman	-	-	-	-	106	100	-	-	-	-
Salary and other perquisites										
L Ganesh	-	-	204	186	-	-	-	-	-	-
Harish Lakshman	-	-	79	78	-	-	-	-	-	-
Aditya Ganesh	-	-	-	-	59	57	-	-	-	-
Commission										
L Ganesh	-	-	295	188	-	-	-	-	-	-
L Lakshman	-	-	-	-	-	56	-	-	-	-
Sitting fees	-	-	16	3	2	1	-	-	-	-
Contribution to post employment benefit plan										
Rane Holdings Limited Gratuity Fund	-	-	-	-	-	-	-	-	30	37
Rane Holdings Limited Senior Executives Superannuation Fund	-	-	-	-	-	-	-	-	23	19
Rane Madras Employee Gratuity Fund	-	-	-	-	-	-	-	-	290	1092
Rane Madras Employee Senior Executives Pension Fund	-	-	-	-	-	-	-	-	58	57
Rane Engine Valve Limited Employees Gratuity Fund	-	-	-	-	-	-	-	-	240	82
Rane Engine Valve Limited Senior Executives Pension Fund	-	-	-	-	-	-	-	-	22	21
Rane Brake Lining Limited Employees Gratuity Fund	-	-	-	-	-	-	-	-	143	263
Rane Brake Lining Limited Senior Executives Pension Fund	-	-	-	-	-	-	-	-	26	23

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

Description	Joint venture / associate entities		Key management personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Balance as at 31 March										
Trade payable										
ZRAI	58	72	-	-	-	-	-	-	-	-
RNSS	468	322	-	-	-	-	-	-	-	-
Commission payable										
L Ganesh	-	-	295	188	-	-	-	-	-	-
L Lakshman	-	-	-	-	-	3	-	-	-	-
Receivables										
ZRAI	329	554	-	-	-	-	-	-	-	-
RNSS	139	380	-	-	-	-	-	-	-	-

#### Remuneration to Key Management Personnel

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Short-term benefits paid	560	433
Other long term benefits paid	18	19
<b>Total</b>	<b>578</b>	<b>452</b>

Note: As the future liabilities of gratuity and compensated absences are provided on an actuarial basis for the respective companies as a whole, the amounts pertaining to key managerial person is not ascertainable separately and therefore, not included above..

#### 41 Segment reporting

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

#### Geographical information

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

Particulars	Revenue from external customers		Non-current assets**	
	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
India	2,01,549	1,52,149	78,163	74,877
Rest of the world	66,181	51,387	12,099	12,102
<b>Total</b>	<b>2,67,730</b>	<b>2,03,536</b>	<b>90,262</b>	<b>86,979</b>

The geographical information considered for disclosure are - India and Rest of the World.

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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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current assets exclude financial assets, deferred tax assets and tax assets.

### Information about major customers

The group does not have any customers contributing more than 10% of the total sales.

#### 42 a. Contingent liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Claims against the Group not acknowledged as debts		
- Income tax matters	2,930	2,966
- Indirect tax matters	1,082	1,082
- Labour related matters	464	391
- Others - customer claim disputed by the Group	73	73
	4,550	4,512

#### b. Commitments and guarantees

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Commitment</b>		
a. Estimated amount of contracts remaining to be executed on capital account (net of advance)	5,192	5,274
b. Uncalled liability on investment in Auto Tech I, L.P	360	515
<b>Guarantees and letter of credit</b>		
a. Letters of credits	-	475
b. Outstanding bank guarantees	156	538

#### 43 Earnings per share

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Profit after tax attributable to the owners	2,414	(5,057)
Weighted average number of shares - basic and diluted	1,42,77,809	1,42,77,809
Earnings per share - basic and diluted (in ₹)	16.91	(35.42)

#### 44 Leases

##### a. Break-up of current and non-current lease liabilities:

The following are the break-up of current and non-current lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Current lease liabilities	307	239
Non-current lease liabilities	819	899
<b>Total</b>	<b>1,126</b>	<b>1,138</b>

##### b. Movement in Lease liabilities:

The following are the movement in lease liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance as on 1 April 2021 / 2020	1,138	931
Additions	259	606
Finance costs accrued during the year	106	97
Deletions	(15)	(152)
Payment of lease liabilities	(361)	(335)
Effects of foreign exchange	(1)	(9)
<b>Balance as on 31 March 2022 / 2021</b>	<b>1,126</b>	<b>1,138</b>

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### FOR THE YEAR ENDED 31 MARCH 2022

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c. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31 March 2022	As at 31 March 2021
Less than one year	366	309
One to five years	449	578
More than five years	1,131	1,183
Total	1,946	2,070

d. Amounts recognized in profit or loss

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Interest on lease liabilities	106	97
Expenses relating to short-term leases recognized in other expenses	381	261

e. Amounts recognized/disclosed in cash flow statement

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Total cash outflows for leases	361	335

#### 45 Exceptional Items

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
Impairment of goodwill (refer note 6)	(163)	-
Employee retention credit (refer note 45.1)	2,726	-
Paycheck protection program (refer note 45.1)	1,945	-
VRS expenditure (refer note 45.2)	(420)	(173)
Profit on sale of land (refer note 45.3)	-	2,396
	4,088	2,223

45.1 In respect of a step down subsidiary in U.S., Rane Light Metal Castings Inc., ("LMCA") was entitled to certain economic relief provided by the U.S. government in order to manage the impact of COVID-19 pandemic. Pursuant to such economic relief schemes, during the year ended March 31, 2022, LMCA received an approval for forgiveness of the paycheck protection program loan ('PPP Loan') from the U.S. Small Business Administration (SBA) for an amount of USD 2.63 million (₹1,945 lakhs). Further, LMCA was eligible for employee retention credit (ERC), from the U.S. Internal Revenue Service during the year ended March 31, 2022 for an amount of USD 3.66 million (₹2,726 lakhs). The aggregate amount of such relief has been recorded as exceptional income for the year ended 31 March 2022.

45.2 Voluntary Retirement Scheme (VRS) expenditure incurred in respect of employees of certain subsidiaries who have opted for VRS aggregated to ₹420 lakhs (31 March 2021: ₹173 lakhs).

45.3 During the year ended 31 March 2021, profit on sale represents profit on sale of vacant land of REVL a subsidiary company, in Medchal (Hyderabad) amounts to ₹2,396 lakhs (net of incidental expenses) (carrying value of vacant land of ₹7 lakhs classified as held for sale in 2019-20).

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### 46 Group information

The group's subsidiaries, joint venture / associate entities are set out below

Companies	Country of incorporation	% of voting power held	
		As at 31 March 2022	As at 31 March 2021
a. Information about subsidiaries			
Rane (Madras) Limited - (RML)	India	71.77%	68.47%
Rane (Madras) International Holdings B.V (RMIH) - (subsidiary of RML)	The Netherlands	100.00%	100.00%
Rane Light Metal Castings Inc. (LMCI)	The United States of America	100.00%	100.00%
Rane Engine Valve Limited - (REVL)	India	54.82%	54.82%
Rane Brake Lining Limited - (RBL)	India	50.03%	47.57%
Rane t4u Private Limited	India	98.59%	70.01%
Rane Holdings America Inc.	The United States of America	100.00%	100.00%
Rane Holdings Europe GmbH	Germany	100.00%	100.00%
b. Information about Joint venture / associate entities			
ZF Rane Automotive India Private Limited (ZRAI) (formerly known as Rane TRW Steering Systems Private Limited)	India	49.00%	50.00%
Rane NSK Steering Systems Private Limited - (RNSS)	India	49.00%	49.00%

### 47 Disclosure of additional information as required by Schedule III:

For the year ended 31 March 2022

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent: Rane Holdings Limited	50.26%	50,543	96.63%	3,388	34.53%	299	84.33%	3,687
<b>Subsidiaries - Indian</b>								
(Parent's share)								
1. Rane (Madras) Limited - consolidated	16.28%	16,372	20.37%	714	45.50%	394	25.34%	1,108
2. Rane Engine Valve Limited	5.30%	5,326	(18.51)%	(649)	0.69%	6	(14.71)%	(643)
3. Rane Brake Lining Limited	12.08%	12,149	36.85%	1,292	(1.85)%	(16)	29.19%	1,276
4. Rane t4u Private Limited	0.37%	371	(34.46)%	(1,208)	5.77%	50	(26.49)%	(1,158)
<b>Subsidiaries - Foreign</b>								
1. Rane Holdings America Inc.	0.05%	50	0.77%	27	0.46%	4	0.71%	31
2. Rane Holdings Europe GmbH	0.04%	43	0.11%	4	(0.12)%	(1)	0.07%	3
<b>Non-controlling interests</b>	22.81%	22,932	31.15%	1,092	17.55%	152	28.45%	1,244
<b>Joint venture / associate entities (investment as per the equity method)</b>								
<b>Indian</b>								
1. ZF Rane Automotive India Private Limited (formerly known as Rane TRW Steering Systems Private Limited)			69.91%	2,451	1.04%	9	56.27%	2,460
2. Rane NSK Steering Systems Private Limited			(90.90)%	(3,187)	(3.58)%	(31)	(73.60)%	(3,218)
<b>Consolidation adjustments</b>	(7.19)%	(7,232)	(11.92)%	(418)	-	-	(9.56)%	(418)
<b>Total</b>	100%	100,554	100%	3,506	100%	866	100%	4,372

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For the year ended 31 March 2021

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent: Rane Holdings Limited	47.54%	46,856	(2.25)%	136	72.81%	1,339	(35.15)%	1,475
<b>Subsidiaries - Indian</b>								
(Parent's share)								
1. Rane (Madras) Limited - consolidated	12.64%	12,456	65.47%	(3,951)	18.87%	347	85.89%	(3,604)
2. Rane Engine Valve Limited	5.85%	5,763	5.53%	(334)	0.38%	7	7.79%	(327)
3. Rane Brake Lining Limited	11.47%	11,304	(24.77)%	1,495	1.74%	32	(36.39)%	1,527
4. Rane t4u Private Limited	0.85%	835	8.72%	(526)	0.60%	11	12.27%	(515)
<b>Subsidiaries - Foreign</b>								
1. Rane Holdings America Inc.	0.17%	169	(0.30)%	18	-0.22%	(4)	(0.33)%	14
2. Rane Holdings Europe GmbH	0.04%	40	(0.07)%	4	0.05%	1	(0.12)%	5
<b>Non-controlling interests</b>	<b>22.44%</b>	<b>22,113</b>	<b>16.21%</b>	<b>(978)</b>	<b>6.36%</b>	<b>117</b>	<b>20.52%</b>	<b>(861)</b>
<b>Joint venture / associate entities (investment as per the equity method)</b>								
<b>Indian</b>								
1. ZF Rane Automotive India Private Limited (formerly known as Rane TRW Steering Systems Private Limited)			(20.66)%	1,247	(0.49)%	(9)	(29.50)%	1,238
2. Rane NSK Steering Systems Private Limited			65.97%	(3,981)	(0.11)%	(2)	94.92%	(3,983)
<b>Consolidation adjustments</b>	<b>(0.99)%</b>	<b>(974)</b>	<b>(13.84)%</b>	<b>835</b>	<b>-</b>	<b>-</b>	<b>(19.90)%</b>	<b>835</b>
<b>Total</b>	<b>100%</b>	<b>98,562</b>	<b>100%</b>	<b>(6,035)</b>	<b>100%</b>	<b>1,839</b>	<b>100%</b>	<b>(4,196)</b>

### 48 Financial instruments

#### 48.1 Capital management

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

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

The Group determines the amount of capital required on the basis of annual operating plan coupled with long-term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long-term and short-term bank borrowings.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances as detailed in notes 23 and 19.a) and total equity of the Group.

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

The Group is not subject to any externally imposed capital requirements.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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### 48.2 Gearing ratio

The table below summarises net debt to equity:

Particulars	As at 31 March 2022	As at 31 March 2021
Debt *	77,679	66,100
Cash and cash equivalents	(2,715)	(6,106)
<b>Net debt</b>	<b>74,964</b>	<b>59,994</b>
<b>Total equity**</b>	<b>1,00,554</b>	<b>98,562</b>
Net debt to equity ratio (in times)	0.75	0.61

\*Debt is defined as long-term and short-term borrowings.

\*\*Equity includes all capital and reserves of the Group.

### 48.3 Fair value measurements

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

#### Financial instrument by category

Particulars	As at 31 March 2022			As at 31st March 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial assets</b>						
Loans	-	-	98	-	-	46
Equity investments	496	-	-	214	-	-
Investments in equity instruments	-	4,452	-	-	4,452	-
Trade receivables	-	-	57,547	-	-	48,615
Cash and cash equivalents	-	-	2,715	-	-	6,106
Bank balances other than above	-	-	96	-	-	215
Other financial assets (excluding investments)	-	-	6,509	-	-	8,114
Fair value derivative hedging receivable	811	-	-	236	-	-
Mutual fund investments (mandatorily measured at FVTPL)	1,209	-	-	2,293	-	-
<b>Total financial assets</b>	<b>2,516</b>	<b>4,452</b>	<b>66,965</b>	<b>2,743</b>	<b>4,452</b>	<b>63,096</b>
<b>Financial liabilities</b>						
Borrowings	-	-	77,679	-	-	66,100
Trade payables	-	-	49,916	-	-	46,220
Lease liability	-	-	1,126	-	-	1,138
Derivative liability	22	-	-	16	-	-
Other financial liabilities	-	-	7,858	-	-	5,464
<b>Total financial liabilities</b>	<b>22</b>	<b>-</b>	<b>1,36,579</b>	<b>16</b>	<b>-</b>	<b>1,18,922</b>

The group has not disclosed the fair values of financial instruments such as trade receivables, cash and cash equivalents, other bank balances, other financial assets, borrowings, trade payables, lease liabilities and other financial liabilities because their carrying amounts are at reasonable approximation of fair value.



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### FOR THE YEAR ENDED 31 MARCH 2022

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#### 48.3.1 The below table summarise the fair value hierarchy of the financial assets / liabilities:

Particulars	As at 31 March 2022	As at 31 March 2021	Fair Value Hierarchy (Level 1,2,3)*	Valuation technique
<b>Financial assets</b>				
a. Mutual fund investments (unquoted) (mandatorily measured at FVTPL)	1,209	2,293	2	Fair value is determined based on Net Assets Value published by respective funds.
b. Derivative investments (forward contracts)	811	236	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
c. Investments in equity instruments measured at FVOCI	4,452	4,452	3	Fair value of the investment is determined based on the fair value of the net assets as furnished by the fund which in turn is determined using various significant unobservable inputs including the purchase price, developments concerning the investee company of the fund subsequent to acquisition, data and projections of investee company etc. The estimated fair value would increase or decrease depending upon changes to such inputs.
<b>Total</b>	<b>6,472</b>	<b>6,981</b>		
<b>Financial liabilities</b>				
Particulars	As at 31 March 2022	As at 31 March 2021	Fair Value Hierarchy (Level 1,2,3)*	Valuation technique
Fair value derivative hedging liability	22	16	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
<b>Total</b>	<b>22</b>	<b>16</b>		
<b>Net financial assets / (liabilities)</b>	<b>6,450</b>	<b>6,965</b>		

Note: Fair value information relating to investment in equity investments measured at FVTPL are not presented as these are not material to the financial statements.

#### Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	Amount
Balance at 1 April 2020	2,195
Net change in fair value (unrealised)	1,809
(Sale) / Purchase (net)	448
<b>Balance at 31 March 2021</b>	<b>4,452</b>
Balance at 1 April 2021	4,452
Net change in fair value (unrealised)	384
(Sale) / Purchase (net)	-384
<b>Balance at 31 March 2022</b>	<b>4,452</b>

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended 31 March 2022 and 31 March 2021.

\* Fair value hierarchy (Level 1,2,3)

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(All amounts are in INR lakhs unless otherwise stated)

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 48.4 Financial risk management

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk, equity price risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

The risk management objective of the Group is to hedge risk of change in the foreign currency exchange rates associated with its 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.

#### 48.4.1 Market risk

Market risk is the risk that changes in the market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

### 48.5 Foreign currency risk management

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

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

Currency	As at 31 March 2022		As at 31 March 2021	
	In equivalent ₹ (Lakhs)	In Foreign Currency (Lakhs)	In equivalent ₹ (Lakhs)	In Foreign Currency (Lakhs)
<b>Financial assets</b>				
USD	17,372	210	13,137	180
EUR	2,372	28	1,250	14
GBP	31	-	46	-
<b>Financial liabilities</b>				
USD	11,094	135	1,242	14
EUR	2,954	37	208	3
JPY	1,677	2,697	635	960
CNH	54	5	-	-
SGD	7	-	-	-

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#### 48.5.1 Foreign currency sensitivity analysis

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

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	Strengthening	Weakening	Strengthening	Weakening
Increase/decrease by 5%				
2021-22				
USD	-91	91	-223	223
EUR	29	-29	-	-
GBP	-2	2	-	-
JPY	84	-84	-	-
2020-21				
USD	-372	372	-223	223
EUR	-52	52	-	-
GBP	-2	2	-	-
JPY	32	-32	-	-

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

#### 48.5.2 Derivative Financial Instruments

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

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

Particulars	As at 31 March 2022	As at 31 March 2021
Buy USD		
Less than 3 months	-	(36)
Later than 3 months but upto 6 months	-	(216)
Total	-	(252)
Sell USD		
Less than 3 months	4,145	638
Later than 3 months but upto 6 months	2,846	791
Later than 6 months but not later than 1 year	4,277	754
Later than 1 year	4,803	
Total	16,072	2,183
Buy JPY		

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Particulars	As at 31 March 2022	As at 31 March 2021
Less than 3 months	(1,284)	(714)
<b>Total</b>	<b>(1,284)</b>	<b>(714)</b>
Buy Euro		
Less than 3 months	(137)	(91)
<b>Total</b>	<b>(137)</b>	<b>(91)</b>
Sell Euro		
Less than 3 months	1,034	1,586
Later than 3 months but upto 6 months	691	1,568
Later than 6 months but not later than 1 year	-	5,071
<b>Total</b>	<b>1,725</b>	<b>8,225</b>
Sell GBP		
Less than 3 months	32	34
<b>Total</b>	<b>32</b>	<b>34</b>

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 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 2022 is as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	132	(184)
Gain/loss recognised in other comprehensive income during the year (net of tax)	(132)	309
Acquisition of non-controlling interests	-	7
<b>Balance at the end of the year</b>	<b>-</b>	<b>132</b>

### 48.5.3 Interest rate risk management

The Group adopts appropriate policies to ensure that the interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

If interest rate had been 50 basis points higher / lower and all other variables were held constant, the Company's profit for the year ended 31 March 2022 would decrease / increase by ₹ 388 Lakhs (₹ 331 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowing.

### 48.6 Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group doesn't actively trade these investments.

#### 48.6.1 Equity price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the fair value had been 1% higher / lower, profit for the year ended 31 March 2022 would increase / decrease by ₹ 45 lakhs (31 March 2021: ₹ 45 lakhs) as a result of the changes in fair value of equity investments which have been

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irrevocably designated at FVOCI.

### 48.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and cash equivalents, investments carried at cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Group's trade and other receivables consists of a large number of customers, across geographies, hence the Group is not exposed to concentration risk.

#### 48.7.1 Expected credit loss for investments, loans and security deposits

The estimated gross carrying amount of default is Nil (31 March 2021: Nil) for investments, loans and deposits. Consequently there are no expected credit loss recognised for these financial assets. The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

#### 48.7.2 Expected credit loss for trade receivables under simplified approach

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on: a) Past trend of outstanding receivables over a rolling period of past 24 months and b) actual amount of outstanding receivables as on the reporting date.

### 48.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the respective board of directors, which has established an appropriate liquidity risk management framework for the management of the respective company's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### 48.8.1 Liquidity and interest risk

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2022

Particulars	Carrying amount	Less than 1 year	1 - 5 years	5 or more years	Total contractual cash flows
Borrowings	77,679	48,267	34,403	871	83,541
Trade payables	49,916	49,916	-	-	49,916
Other financial liabilities	7,880	7,880	-	-	7,880
Lease liability	1,126	376	454	1,131	1,961
Total	1,36,601	1,06,439	34,857	2,002	1,43,298

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2022

(All amounts are in INR lakhs unless otherwise stated)

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2021

Particulars	Carrying amount	Less than 1 year	1 - 5 years	5 or more years	Total contractual cash flows
Borrowings	66,100	46,966	32,056	1,611	80,633
Trade payables	46,220	46,220	-	-	46,220
Other financial liabilities	5,480	5,478	2	-	5,480
Lease liability	1,138	310	578	1,183	2,071
Total	1,18,938	98,974	32,636	2,794	1,34,404

#### 49 Events after reporting date

The Group has evaluated subsequent events from the balance sheet date through 26 May 2022, the date on which the consolidated financial statements were authorised for issue, and determined that there are no items to disclose.

#### 50 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 26 May 2022.

See accompanying notes forming part of consolidated financial statements  
As per our report of even date attached

for **B S R & Co. LLP**  
Chartered Accountants  
Firm's Registration No.: 101248W/W-100022

for and on behalf of the Board of Directors of  
**Rane Holdings Limited**

**S Sethuraman**  
Partner  
Membership No.: 203491

**Harish Lakshman**  
Vice Chairman and Joint Managing Director  
DIN: 00012602

**Ganesh Lakshminarayan**  
Chairman and Managing Director  
DIN: 00012583

Place: Chennai  
Date: 26 May 2022

**M A P Sridhar Kumar**  
Chief Financial Officer

**Siva Chandrasekaran**  
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 statements of subsidiaries / joint venture / associate  
**Part "A": Subsidiaries**

₹ In Lakhs  
USD in Thousands  
Euro in Thousands

1. Sl. No.	2. Name of the subsidiary	1	2	3	4	5	6
		Rane (Madras) Limited	Rane Engine Valve Limited	Rane Brake Lining Limited	Rane t4u Private Limited	Rane Holdings America Inc.	Rane Holdings Europe GmbH
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No	No
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.					USD	EURO
						1USD = ₹75.72	1EURO = ₹84.50
						USD	INR
5.	Share capital	1,627	672	773	1,800	20	10
6.	Reserves & surplus	21,187	9,044	23,511	(1,464)	46	40
7.	Total assets	122,989	31,159	39,895	1,063	123	93
8.	Total Liabilities	100,173	21,443	15,611	727	57	43
9.	Investments	146	215	135	-	-	-
10.	Turnover	174,764	38,495	51,819	891	718	535
11.	Profit / (Loss) before taxation	2,553	(1,501)	3,467	(762)	49	37
12.	Provision for taxation	1,487	(315)	760	587	14	10
13.	Profit / (Loss) after taxation	1,066	(1,186)	2,708	(1,349)	36	27
14.	Proposed Dividend	-	-	₹20 per share	-	\$ 10 per share	-
15.	% of shareholding	71.77%	54.82%	50.03%	98.59%	100.00%	100.00%

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

**Harish Lakshman**  
Vice Chairman and  
Joint Managing Director  
DIN: 00012602

**Ganesh Lakshminarayan**  
Chairman and  
Managing Director  
DIN: 00012583

Place: Chennai  
Date: 26 May 2022

**M A P Sridhar Kumar**  
Chief Financial Officer

**Siva Chandrasekaran**  
Company Secretary



## Part "B": Joint venture / associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture / associate

₹ in Lakhs

Name of joint ventures	Joint venture / associate entities	
	ZF Rane Automotive India Private Limited (Formerly known as Rane TRW steering systems Private Limited)	Rane NSK Steering Systems Private Ltd
1. Latest audited balance sheet date	31 March 2022	31 March 2022
2. Shares of joint ventures held by the company on the year end		
Number of shares	4,281,740	8,771,000
Amount of investment in joint ventures	2,285	1,012
Extent of holding %	49.00%	49.00%
3. Description of how there is significant influence	Note 1	Note 1
4. Reason why the joint venture / associate entities are not consolidated	Note 2	Note 2
5. Networth attributable to shareholding as per latest audited balance sheet	21,069	5,028
6. Profit / (loss) for the year		
i. Considered in consolidation	2,451	-3,187
ii. Not considered in consolidation	2,488	-3,317

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

Note 2 : The results of the Joint venture / associate are incorporated in the consolidated financial statements using Equity Method of accounting

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

**Harish Lakshman**  
Vice Chairman and Joint Managing Director  
DIN: 00012602

**Ganesh Lakshminarayan**  
Chairman and Managing Director  
DIN: 00012583

Place: Chennai  
Date: 26 May 2022

**M A P Sridhar Kumar**  
Chief Financial Officer

**Siva Chandrasekaran**  
Company Secretary



**Rane Holdings Limited**

CIN: L35999TN1936PLC002202

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