Rane (Madras) Limited

18th Annual Report 2021-22

READ INSIDE

FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

Particulars	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
Total Income (*)	1,561.79	1,151.05	1,119.23	1,380.83	1,219.60	992.62	862.49	779.97	727.51	641.36
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	133.63	30.72	60.92	151.75	139.49	99.38	79.70	69.67	69.16	57.84
Profit Before Tax (PBT)	51.47	(45.04)	(23.45)	70.37	60.18	26.29	18.66	16.84	19.68	30.06
Profit After Tax (PAT)	36.61	(50.69)	(24.43)	47.25	41.81	20.67	14.09	12.44	16.78	23.42

(*) Total Income are net of excise duty, where applicable

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) %	8.8%	(3.5%)	1.3%	15.5%	16.6%	11.6%	9.0%	9.9%	13.9%	17.1%
Return on Net Worth (RoNW) %	10.7%	(16.6%)	(8.0%)	16.4%	19.1%	12.8%	9.5%	8.7%	12.4%	19.1%
Earnings Per Share (₹)	23.94	(39.51)	(20.37)	40.38	37.61	19.66	12.77	11.20	15.35	23.04
Dividend (%) (@)	-	-	-	85%	120%	60%	45%	45%	55%	70%
Dividend Payout ratio (@)	-	-	-	26%	40%	37%	40%	46%	40%	35%
Book Value Per Share (₹)	230.51	211.65	239.71	259.97	229.53	162.65	144.98	138.43	133.41	127.97

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

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	16.27	14.57	12.55	11.97	11.61	10.51	10.51	10.51	10.51	10.16
Shareholders' funds	374.93	308.27	300.93	311.27	266.43	170.95	160.62	153.73	148.45	130.07
Non current Liabilities	179.75	113.95	155.42	129.53	130.37	140.05	139.67	62.97	49.90	40.79
Current Liabilities	639.21	523.81	409.75	429.58	414.44	379.53	312.66	317.33	256.27	190.23
Non current assets	627.43	530.07	530.02	450.69	406.07	389.51	343.46	300.59	245.12	179.09
Current assets	566.46	415.96	336.05	419.73	405.16	301.02	269.49	233.44	209.51	182.00

** pertains to revised Schedule VI to Companies Act ,1956 / Schedule III to Companies Act, 2013 applicable years only

Note :

1. Figures for FY 17 onwards are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
2. EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years

CORPORATE INFORMATION

Board of Directors
L Ganesh, Chairman
Harish Lakshman, Vice Chairman
Anita Ramachandran
Pradip Kumar Bishnoi
N Ramesh Rajan
S Sandilya

Audit Committee
Pradip Kumar Bishnoi, Chairman
Anita Ramachandran
L Ganesh
N Ramesh Rajan

Stakeholders' Relationship Committee
Harish Lakshman, Chairman
Pradip Kumar Bishnoi
N Ramesh Rajan

Nomination and Remuneration Committee
Anita Ramachandran, Chairperson
Harish Lakshman
S Sandilya

Corporate Social Responsibility Committee
L Ganesh, Chairman
Anita Ramachandran
Harish Lakshman

Risk Management Committee
L Ganesh, Chairman
Harish Lakshman
Pradip Kumar Bishnoi
Gowri Kailasam, Manager & President
D Sundar, President

President & Manager
Gowri Kailasam

Senior Vice President - Finance & Chief Financial Officer
B Gnanasambandam

Secretary
S Subha Shree

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

Statutory Auditors
M/s. BSR & 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
DBS Bank India Limited
Chennai - 600 002
Axis Bank,
Chennai – 600 002
Federal Bank,
Chennai - 600 020
Kotak Mahindra Bank Limited,
Chennai - 600 035
ICICI Bank,
Chennai - 600 018
Exim Bank,
Chennai - 600 002
RBL Bank Limited,
Chennai - 600 017

Registered Office
Rane (Madras) Limited
CIN: L65993TN2004PLC052856
"MAITHRI", 132, Cathedral Road,
Chennai 600 086
Phone: 044-28112472/73
Email: investorservices@ranegroup.com
Website: www.ranegroup.com

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

Plants
1. 79/84, Hootagally Industrial Area,
   Mysuru - 570 018, Karnataka
2. 77, Thirubuvanai Main Road,
   Thirubuvanai Village,
   Puducherry - 605 107
3. Ambakkam, Varanavasi Village,
   Varanavasi Post,
   Kancheepuram - 631 604,
   Tamil Nadu
4. Plot No. 27, Sector 11,
   Integral Industrial Estate,
   Pant Nagar, Uttarakhand - 263 153
5. 143/A, SV Co-op Industrial Estate,
   IDA Bollaram, Medak, District - 502 325,
   Telangana
6. Survey No. 789/AA, 781, 781/AA,
   790/A & 779 Sadasivpet,
   Municipal, Limits, Sadasivpet
   Mandal - 502 291,
   Medak Dist., Telangana
7. E-15, CMDA Industrial Complex,
   Maraimalai Nagar,
   Chengalpattu District - 603 209,
   Tamil Nadu

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

Rane (Madras) Limited

CIN: L65993TN2004PLC052856
Registered Office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086
Phone: 044-28112472/73
E-mail: investorservices@ranegroup.com, website: www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the **Eighteenth (18th) Annual General Meeting of Rane (Madras) Limited** will be held on **Wednesday, June 29, 2022 at 10:00 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 Statements 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 reports of the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

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

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

   "Resolved that Mr. Ganesh Lakshminarayan (DIN: 00012583), who retires by rotation under article 117 and 119 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

3. **To approve under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. Ganesh Lakshminarayan (DIN: 00012583), Chairman (Non-Executive Director) exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors**

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

   "Resolved that an annual approval in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of commission upto 2% of the net profits or minimum remuneration as approved by the members at the 17th AGM whichever is higher, to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman, for the financial year ending March 31, 2023 exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the said financial year ending March 31, 2023."

4. **To appoint Ms. Vasudha Sundararaman (DIN: 06609400) as an Independent Director**

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

   "Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Ms. Vasudha Sundararaman (DIN: 06609400), appointed as an Independent Director of the Company, not liable to retire by rotation, in terms of section 149 of the Act read with Articles of Association of the Company, to hold office for a term of five consecutive years with effect from June 29, 2022, up to the conclusion of Twenty Third 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 (Madras) Limited

Chennai
May 20, 2022

S Subha Shree
Secretary

Registered Office:
Rane (Madras) Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L65993TN2004PLC052856
www.ranegroup.com

NOTES:

1. The 18th 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 18th 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 authorized representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to the registered email address of the Company i.e., investorservices@ranegroup.com.

5. The cut-off date for the purpose of determining eligibility of members for voting in connection with the Eighteenth 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 Eighteenth AGM and the annual report 2022 will be available in the Investors Section on the Company's website www.ranegroup.com.

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

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

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

10. The Securities and Exchange Board of India (SEBI) has 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.

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

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

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

14. In compliance with the aforesaid MCA Circulars dated May 05, 2022 and SEBI circular dated May 13, 2022 (read with previous circulars), 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, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

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

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

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

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

19. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members 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 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 and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

THE INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING 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 shareholder's/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.

    Pursuant to abovesaid SEBI Circular, 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 https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

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

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

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

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

b. Click on "Shareholders" module.

c. Now enter your User ID

i. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

(vi) 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.

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

(viii) Click on the EVSN for the relevant Company on which you choose to vote.

(ix) 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.

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

(xi) 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.

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

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

(xiv) 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.

(xv) **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 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.
- 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 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 (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. 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 ID/ 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), AADHAAR (self-attested scanned copy of Aadhaar 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 or contact at 022- 23058738 and contact the toll free no. 1800 22 55 33.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh

Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or contact the toll free no. 1800 22 55 33.

(By order of the Board)
For Rane (Madras) Limited

Chennai
May 20, 2022

S Subha Shree
Secretary

Registered Office:
Rane (Madras) Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L65993TN2004PLC052856
www.ranegroup.com

EXPLANATORY STATEMENT

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

Item No. 3

The members of the Company at the Seventeenth Annual General Meeting held on July 20, 2021, had approved payment of commission to Mr. L Ganesh, Chairman, a sum not exceeding 2% of the annual net profits of the Company or a minimum remuneration of ₹71,00,000/- whichever is higher, for a period of 3 years with effect from April 1, 2021 to March 31, 2024. The resolution was approved by members with 99.99% of votes cast in favor of the resolution.

In terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) approval of shareholders is being sought for the payment of annual remuneration to Mr. L Ganesh for the financial year ending March 31, 2023, being commission payable upto 2% of the net profits or minimum remuneration approved by the members, whichever is higher, as it is likely to exceed 50% (fifty percent) of the total annual remuneration payable to all the Non-Executive Directors of the Company during the year.

In order to comply with the requirement under Regulation 17(6) (ca) of SEBI LODR, annual approval of the members is being sought by way of a special resolution, as set out in item no. 3 of this notice.

Mr. L Ganesh is concerned or interested in the resolution. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolutions except to the extent of their shareholding, if any, in the Company.

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

Item No.4

The Board of Directors had based on recommendations of the Nomination and Remuneration Committee (NRC) proposed to appoint Ms. Vasudha Sundararaman (DIN:06609400) as an Independent Director pursuant to Sections 149, 150 and 152 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), for a term of five consecutive years with effect from June 29, 2022 up to June 28, 2027 or until the conclusion of twenty third Annual General Meeting, whichever is earlier.

Ms. Vasudha Sundararaman holds a B.Sc (Zoology) from Stella Maris College, Chennai, M.Sc (Zoology) from Madras University and a Certified Associate of Indian Institute of Bankers. She retired as Chief General Manager of State Bank of India (SBI). She also served as the MD & CEO of SBI Global Securities Services Private Limited, a SBI subsidiary company. She was actively involved in implementation of Business Process Re-engineering projects of the bank in the Retail Loan Processing and played leadership role in designing and implementing a novel HR project in the Bank, aimed at impacting the individuals of the Bank. She is also currently in the Board of Cholamandalam Financial Holdings Limited.

At the time of recommendation, the NRC evaluated the balance of skills, knowledge and experience on the Board, and on the basis of such evaluation, prepared a description of the role and capabilities required of the Independent Director.

Her role as an independent director brings skills, competence and expertise on business development, technology, governance and allied disciplines of strategy, general management and finance.

Her qualifications and experience of over 35 years in the banking and financial services sector serving in various leadership roles and experience on the Board of other listed companies have been considered to meet the required skills.

Also considering her rich knowledge, experience and fulfilment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR, policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment Ms. Vasudha Sundararaman would be beneficial to the Company.

Ms. Vasudha Sundararaman is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from her that she 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, Ms. Vasudha Sundararaman fulfils the conditions for appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and she is independent of management of the Company.

Other information relating to her 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 appointment as an Independent Director and other relevant documents are available for inspection by members at the registered office of the Company between 10:00 hrs to 12:00 hrs up to the date of AGM and also on the investor section of website of the Company www.ranegroup.com. Her appointment will also be governed by the policy of the Company applicable to the Board of Directors.

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 as a **Special resolution.**

For Rane (Madras) Limited

Chennai
May 20, 2022

S Subha Shree
Secretary

Registered Office:
Rane (Madras) Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L65993TN2004PLC052856
www.ranegroup.com

Annexure to the NOTICE dated May 20, 2022

Information about directors seeking re-appointment / appointment vide resolution no(s) 2 & 4 of the notice convening the Eighteenth Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director I. Brief Resume	Mr. Ganesh Lakshminarayan	Ms. Vasudha Sundararaman
Age (in years)	68	64
DIN	00012583	06609400
Father's Name	Mr. L L Narayan	Mr. Sundararaman
Date of Birth	March 18, 1954	November 18, 1957
Educational Qualifications	B.Com., ACA and MBA from Pennsylvania State University, USA.	B.Sc (Zoology) from Stella Maris College, Chennai, M.Sc (Zoology) from Madras University and a Certified Associate of Indian Institute of Bankers.
Experience	Mr. L Ganesh has over 46 years of industrial experience in and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an honorary consul for New Zealand in South India.	Ms. Vasudha has over 35 years of experience in banking and financial services sector of which close to 20 years as Branch Head, Head of Personal Banking Division, NRI Division and retail processing.
Nature of expertise	Industrial, technical and operational expertise in automotive and driving business across geographies, governance practices and expertize in allied disciplines.	Technical and operational expertise in Banking Industry, governance and allied disciplines.
II. Other details		
Date of Appointment	March 31, 2004	June 29, 2022
Terms and Conditions of appointment	Re-appointed as a Non-Executive Director, liable to retire by rotation.	Proposed to be appointed as non-executive Independent Director per the resolution at item no. 4 of the Notice convening eighteenth Annual General Meeting on June 29, 2022 read with explanatory statement thereto.
Last drawn remuneration	Sitting fee for FY 2021-22 of ₹4,10,000/- Commission – ₹1,06,57,000/-	NA
Remuneration sought to be paid	Approval sought for payment of Commission for FY 2022-23.	No approval is sought for payment of remuneration. Entitled to Sitting fee for attending meetings of the Board and Committees thereof.

Name of the Director	Mr. Ganesh Lakshminarayan	Ms. Vasudha Sundararaman
Relationship with other Directors/Manager/KMP	-	-
Other Directorships	Chairman Rane Brake Lining Ltd Rane Engine Valve Ltd Rane Holdings Ltd ZF Rane Automotive India Private Ltd (fka Rane TRW Steering Systems Private Ltd) Rane NSK Steering Systems Private Ltd Chennai Willingdon Corporate Foundation Chennai Heritage Director Sundaram Finance Ltd	Director Cholamandalam Financial Holdings Ltd
Committee Memberships in other Boards	Chairman **Audit Committee** Rane NSK Steering Systems Private Ltd ZF Rane Automotive India Private Ltd (fka Rane TRW Steering Systems Private Ltd) **Corporate Social Responsibility Committee** Rane Holdings Ltd Rane Brake Lining Ltd Rane Engine Valve Ltd ZF Rane Automotive India Private Ltd (fka Rane TRW Steering Systems Private Ltd) Rane NSK Steering Systems Private Ltd **Risk Management Committee** Rane Holdings Ltd Rane Brake Lining Ltd Member **Audit Committee** Rane Holdings Ltd Rane Brake Lining Ltd Rane Engine Valve Ltd **Stakeholders Relationship Committee** Rane Brake Lining Ltd Rane Holdings Ltd Rane Engine Valve Ltd	Chairperson **Nomination and Remuneration Committee** Cholamandalam Financial Holdings Ltd Member **Audit Committee** Cholamandalam Financial Holdings Ltd
Last three years directorship	Independent Director EIH Associated Hotels Ltd ** EIH Ltd**	-
Number of meetings of the Board attended durinq the year	7	-
Number of equity shares held including joint holdings*	839	-

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

**ceased to be director with effect from 07.03.2022.

(By order of the Board)
For Rane (Madras) Limited

Chennai
May 20, 2022

S Subha Shree
Secretary

Registered Office:
Rane (Madras) Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L65993TN2004PLC052856
www.ranegroup.com

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Eighteenth 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

The standalone financial highlights for the year under review are as follows: (₹ in Crores)

Particulars	2021-22	2020-21
Revenue from Operations	1,555.00	1,147.15
Other Income	6.79	3.90
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	133.63	93.22
Less: Depreciation / Amortisation	61.11	52.30
Profit / loss before Finance Costs, Exceptional items and Tax Expense	72.52	40.92
Less: Finance Costs	21.05	23.46
Profit / loss before Exceptional items and Tax Expense	51.47	17.46
Add / (less): Exceptional items	-	(62.50)
Profit / (loss) before Tax Expense	51.47	(45.04)
Less: Tax Expense (Current & Deferred)	14.86	5.65
Profit / (loss) for the year (1)	36.61	(50.69)
Total Comprehensive Income / loss (2)	0.04	3.03
Total (1+2)	**36.65**	**(47.66)**
Balance of profit / loss for earlier years	(64.23)	(13.78)
Less: Transfer to Reserves	-	-
Less: Dividend paid on Equity Shares	-	-
Less: Dividend Distribution Tax	-	-
Balance carried forward	(27.58)	(64.23)

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

The total standalone turnover of the company was ₹1,528.78 crores, which is an increase of 36.1% over the previous year. The revenue from Steering and Linkage Division (SLD) products was ₹1,334.73 crores, an increase of 34.8% over the previous year. The revenue from Light Metal Castings India (LMCI) (formerly known as Die Casting Division (DCD)) products was ₹127.49 crores, which is 59.4% increase over previous year. The auto parts division of the Company registered a turnover of ₹66.56 crores as against turnover of ₹53.20 crores recorded during previous year. The Company has netted a Profit After Tax (PAT) of ₹36.61 crores, which is 2.4% of the turnover. This resulted in an Earnings Per Share (EPS) of ₹23.94 for FY 2021-22 as against ₹(39.51) in the previous year.

The Company continues to be a subsidiary of Rane Holdings Limited (RHL / Holding Company). 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 nature of business during the year.

1.2. Appropriation

The Company has carried forward a loss of ₹(27.58) crores and no amounts were transferred to the General Reserves. The Board of Directors, taking into consideration, the operational performance, financial position of the Company and uncertainties faced by the automotive sector, has decided not to declare / recommend any dividend, for the year under review.

1.3. Acquisition of steering components business

During the year, the Company acquired the Steering Components Business (SCB) of M/s. Yagachi Technologies Private Limited (YTPL), for a cash consideration of ₹25 Crores. The SCB manufactures steering and suspension components such as Inner and Outer Ball Joints. This facility is located in Maraimalai Nagar near Chennai. The integration of this business is expected to enhance the Company's leadership position and share in the domestic passenger vehicle market and provide an opportunity to enter export vehicle platforms to new geographies.

1.4. Credit rating

The Company's financial management and its ability to service financial obligations in a timely manner, has been rated by CRISIL and disclosed to stock exchanges and updated on the Company's website. The Corporate Governance section of this Annual Report carries the details of credit rating.

1.5. Share Capital

During the year under review, the paid up equity share capital of the Company increased by ₹1,69,99,580 and stood at ₹16,26,52,670 consisting of 1,62,65,267 equity shares having face value of ₹10/- each fully paid up. The increase during the year was due to allotment of 16,99,958 equity shares ₹10/- each arising on conversion of the balance outstanding 16,99,958 warrants out of the 25,49,936 warrants issued to Rane Holdings Limited (RHL / Promoter/ Holding Company). During the year, RHL remitted an aggregate sum of ₹30 crores and exercised its right to convert the warrants. The Company converted the 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 in an increase in shareholding of RHL in the Company to 71.77%. The funds were utilized for the purpose stated in the objects and there was no deviation from the same.

1.6. Management Discussion & Analysis

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

1.7. Subsidiaries, Associate and Joint Venture Companies

1.7.1. Overseas Subsidiaries

Rane Light Metal Castings Inc., USA (LMCA) is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. During the FY 21-22, LMCA earned revenue of ₹186.92 crores from its operations.

LMCA is a step down subsidiary of the Company held through Rane (Madras) International Holdings, B.V., The Netherlands, a wholly owned subsidiary of the Company ('RMIH' / 'WOS').

In RMIH, the Company, has till date invested upto Euro 32.572 million for making onward capital infusions in LMCA, to repay loan to the tune of US$ 4.485 million along with interest availed from its parent company and to meet its own administrative expenses. The total equity investments in LMCA through RMIH as on March 31, 2022 stands at US$ 34.66 million. Subsequently, the Company has further invested an amount of US$ 0.70 million on April 13, 2022 increasing the capital to US$ 35.36 million.

All the investments and financial commitments of the Company are within the limits prescribed under the Foreign Exchange Management Act, 1999 and regulations framed thereunder for the time being in force.

The highlights of performance of subsidiary companies and their contribution to the overall performance of the Company during the year under review are provided in the section 'Management Discussion & Analysis' forming part of this annual report. The Company does not have any associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate Company during the Financial Year 2021-22.

1.8. Consolidated Financial Statements

The consolidated financial statements of the Company are prepared based on the financial statements of the subsidiary Companies viz., Wholly Owned Subsidiary - Rane (Madras) International Holdings B.V, The Netherlands, and Step Down Subsidiary (SDS) - Rane Light Metal Castings Inc. USA.

The Company has followed the methodology prescribed under applicable accounting standards for consolidation of financial statements of the subsidiary companies i.e., each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average of daily exchange rates prevailing during the year.

The salient features of financial statements of the subsidiary companies are provided in Form AOC-1 forming part of this annual report in terms of the provisions of Section 129(3) of the Companies Act, 2013 ("Act"). The Company will make available a 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 also been made available on the website of the Company at www.ranegroup.com.

2. Board of Directors 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), wherever applicable. The Board of Directors have also constituted an Executive Committee, Finance Committee, Investment Committee and Issue & Allotment 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. Srinivasan Sandilya (DIN:00037542) and Mr. Ramesh Rajan Natarajan (DIN: 01628318) were appointed as Additional Director(s) (Independent category) on May 21, 2021. Their appointments were approved in the Annual General Meeting held on July 20, 2021.
- Mr. M Lakshminarayan (DIN: 00064750) Independent Director, retired as per the retirement policy of the Company, effective from conclusion of the Board Meeting held on May 21, 2021. He ceased to be a member / chairman of the Audit Committee and Nomination and Remuneration Committee.
- Mr. Lakshman Lakshminarayan (DIN: 00012554), Non-Executive Director, retired as per the retirement policy of the Company effective from the conclusion of the business hours on May 27, 2021. He has been associated with Rane group for over 5 decades and as Director for about 3 decades. He has been instrumental in steering the Rane Group during a very challenging and exciting phase in the automobile industry's evolution and transformation in India. The Board placed on record its appreciation for the valuable advice and guidance rendered by him during his tenure especially on various strategic matters. Consequent to his retirement he ceased to be a member / chairman of the Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Corporate Social Responsibility Committee.
- Ms. Anita Ramachandran (DIN:00118188) will be completing second term as Independent Director of the Company at the ensuing Annual General Meeting and will cease to hold office as per the provisions of the Companies Act, 2013. The Board placed on record its appreciation for her valuable advice and guidance rendered during her tenure.
- Ms. Vasudha Sundararaman (DIN:06609400) is proposed to be appointed as an Independent Director. Her appointment as an Independent Director of the Company has been recommended by the Nomination and Remuneration Committee and Board for approval of the shareholders of the Company at the ensuing Annual General Meeting.

The Board of Directors are of the opinion that the Director(s) proposed for appointment / re-appointment at the ensuing 18th 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 https://ranegroup.com/rml_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. Ganesh Lakshminarayan, Director (DIN: 00012583) retires by rotation at the ensuing 18th Annual General Meeting (AGM), being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Ganesh Lakshminarayan, as a Director is included in the notice convening the 18th 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, seven (7) Board Meetings were held, the details of which are given in the Corporate Governance Report. The gap between 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 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.

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 included matters relating to competitor analysis, technological & industrial trends, strategy and risk management. 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 familiarization programmes to Independent Directors are available at the web-link: https://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors.

2.7. Key Managerial Personnel

As at the year ended March 31, 2022, Ms. Gowri Kailasam, Manager & President - SLD, Mr. B Gnanasambandam, Chief Financial Officer (CFO) and Ms. S Subha Shree, Secretary, hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

2.8. Remuneration policy

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

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

In accordance with the said policy, approval was obtained from the shareholders in terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR) at the 17th AGM held on July 20, 2021, for payment of commission to Mr. L Ganesh, Chairman, an amount exceeding 50% of total annual remuneration payable to other Non-Executive Director, for the FY 2021-22. 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 above terms of reference, which is in compliance with the provisions of Section 177 of the Companies Act, 2013 (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 16th Annual General Meeting (AGM) held on August 07, 2020, for a period of five years i.e., until the conclusion of the 21st AGM (2025).

BSR have 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 have 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 Company does not manufacture any specified products which necessitate the maintenance of cost records as prescribed under Section 148(1) of the Act.

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, have been appointed by the Board of Directors in terms of Section 204 of the Companies Act, 2013 as Secretarial Auditors of the Company for the FY 2021-22. The Secretarial Audit report given in **'Annexure B'** was taken on record by the Board of Directors at its meeting held on May 20, 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. confirms compliance with securities laws applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on May 20, 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 Servicies, have over the years held the office of the Internal Auditors with the latest tenure concluding on December 31, 2021. Based on the recommendations of the Audit Committee and after considering the proposal from the management to rotate the office of Internal Auditors, the Board of Directors of the Company at their Meeting held on January 24, 2022 approved the appointment of M/s. Deloitte Touche Tohmatsu India LLP for a period of 1 year commencing from January 01, 2022 to December 31, 2022.

Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, review of statutory and legal compliances with applicable statutes / laws and assessing the internal control strengths in all these 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. The Committee, while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz., internal audit structure, staffing and seniority of the officials proposed to be deployed etc., which are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

4. Directors' responsibility statement

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

a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departures;

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

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

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

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

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

5. Related Party Transactions

All Related Party Transactions (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 **'Annexure G'** of this 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 and also the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered into in the ordinary course of business and are repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis.

The Company has put in place 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 Related Party Transactions as approved by the board is uploaded on the Company's website and is available at the web- link: https://ranegroup.com/rml_investors/policy-on-related-party-transactions/

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions (except payment receipt of their remuneration, as applicable), 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 socially and environmentally responsible corporate citizen"**. The CSR activities of Rane Group focus on four specific areas viz.: (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.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising Mr. L Ganesh, Committee Chairman, Mr. Harish Lakshman, Director and Ms. Anita Ramachandran, Independent Director, as its members.

During the year, the Company has contributed a sum of ₹0.73 crores on various CSR activities as per the CSR policy and recommendations of the CSR Committee. The **'Annexure C'** to this report contains the annual report on CSR activities of the Company for FY 2021-22. The CSR policy of the Company, amended in line with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 is posted on the Company's website and is available at the weblink : https://ranegroup.com/rml_investors/corporate-social-responsibility-policy-and-aap

Further, in terms of the CSR Rules, the Chief Financial Officer 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 2022.

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

The **'Annexure D'** to this report contains the information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

8. Corporate Governance Report

Your Company is committed to maintaining the highest standards of corporate governance and effective compliance 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 Report

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for the 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 who is also responsible for the implementation of the Business Responsibility initiatives.

10. Particulars of Directors, Key Managerial Personnel and Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, KMP and employees of the Company are provided as an **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 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. Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013, if any, 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 at www.ranegroup.com.

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

f. The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India (ICSI) as per Section 118(10) of the Companies Act, 2013.

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 Companies Act, 2013 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 sex. 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 (ICC) 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 – 1

   No. of complaints disposed off during the financial year – 1

   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 no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 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 18th AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

I. Annual General Meeting

In view of the COVID-19 pandemic and in the interest of all stakeholders, the 18th AGM would be conducted through video conferencing or other audio visual means on Wednesday, June 29, 2022 at 10:00 hrs (IST), as per the framework notified by the Ministry of Corporate Affairs. The notice convening the 18th AGM contains detailed instructions and notes in this regard.

Acknowledgement

We thank our Customers, Investors, Suppliers, Vendors, Bankers, Government and Regulatory Authorities and other Business Associates for their continued support in successful performance of the Company. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

	Harish Lakshman	Ganesh Lakshminarayan
Chennai	Vice-Chairman	Chairman
May 20, 2022	DIN: 00012602	DIN: 00012583

Annexure A to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

Rane (Madras) Limited (RML) manufactures steering and suspension linkage products, steering gear products and specialized aluminum high pressure die-casting products. The Company is a significant supplier to major manufacturers of Passenger Vehicles (PV), Utility Vehicles (UV) and Farm Tractors (FT) in India and globally. The Company operates predominantly in a single reportable segment viz., components for the transportation industry.

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 increases 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 fueling 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. Toyota overtook GM as the top-selling automaker in the United States for the first time as Toyota was able to manage the chip shortage situation better. 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 fueled 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 and 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%.

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)	
Vehicles	FY22	FY21
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)
Farm Tractors (FT)	(0)	24

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1. Domestic Market

The company's sales witnessed 31.5% growth in the domestic market. This is despite the second wave of COVID hitting the automotive industry by the end of April and the consequent lockdown. There were also other challenges faced by the auto industry like the chip shortage and the inflation in commodities. The market started recovering from second quarter and the company was able to ride on that and also had increase in share from customers.

Light Metal Casting Products witnessed a strong growth in PV, HCV, EV and FT segment. The overall domestic sales are more by 71.9%. There is a significant surge in Aluminum prices which also have an impact on the top line.

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

(₹ in Crores)

Products	FY 22	FY 21	Growth in %
Steering Gear Products	587.50	447.80	31.2%
Suspension and Linkage Products	317.59	249.90	27.1%
Hydraulic Products	76.76	61.30	25.2%
Light Metal Casting Products	74.22	42.87	73.1%
Other Automotive Parts	62.04	47.73	30.0%
Total	**1,118.11**	**849.60**	**31.6%**

The second wave of COVID affected the aftermarket sales in the first quarter. However, with the market recovery from the second quarter, there was a surge in demand for spare parts. The company also introduced new products in the aftermarket segment. This increase in range and the increased demand resulted in a healthy 27% growth in the aftermarket segment.

The break-up of domestic sales between Original Equipment Manufacturers (OEMs) and Aftermarket is given below:

(₹ in Crores)

Market	FY 22	FY 21	Growth in %
OEM & OES	889.97	669.97	32.8%
Aftermarket	228.14	179.63	27.0%
Total	**1,118.11**	**849.60**	**31.6%**

4.2. Exports

The global business had additional challenges like the container shortage and logistical delays. There was a growth of 50.1% in the export segment due to strong demand in the Rack & Pinion product. The new business added during the previous year to Korea and Mexico supplemented the strong growth in the ATV segment in North America.

Light Metal Casting Products witnessed a growth in exports of 43.5% due to strong demand from OEM's for the new businesses which was secured last year and realization in FY 2021-22.

The break-up of the export sales (including deemed exports) is given below:

(₹ in crores)

Products	FY 22	FY 21	Growth in %
Steering Gear Products	65.47	42.60	53.7%
Suspension Linkage Products	283.44	185.70	52.6%
Hydraulic Products	3.98	2.70	47.4%
Light Metal Casting Products	53.27	37.13	43.5%
Other Automotive Parts	4.51	5.47	(17.5)%
Total	**410.67**	**273.60**	**50.1%**

4.3. Operational and Financial Performance

4.3.1. Financial Review

Standalone Financial Highlights

The Company registered sales of ₹1528.78 crores, an increase of 36.0% over last year, mainly because of the increased demand in the Indian Automotive sector. The significant cost reduction in both variable and fixed costs also helped increase the operating profits.

- Revenue from sale of products increased to ₹1,528.78 crores in FY22 from ₹1,123.20 crores in FY21.
- EBITDA increased to ₹133.63 crores in FY22 from ₹93.22 crores in FY21.
- Net profit of ₹36.61 crores in FY22 as against a Net loss of ₹(50.69) crores in FY21.

Consolidated Financial Highlights

- Revenue from sale of products increased to ₹1,711.74 crores in FY22 from ₹1,241.94 crores in FY21.
- EBITDA increased to ₹79.46 crores in FY 22 from ₹37.69 crores in FY 21.
- Net profit of ₹10.66 crores in FY22 as against a Net loss of ₹(61.14) crores in FY21.

Standalone:

Sl. No.	Key Ratios	March 31, 2022	March 31, 2021	Reason for change in FY 22
1.	Interest Coverage ratio (turns)	3.44	1.74	The significant improvement in ratios is primarily due to increase in sales volumes resulting in better absorption of overheads.
2.	Operating Profit Margin (%)	5%	4%	
3.	Net Profit Margin (%)	2%	(5)%	
4.	Return on Networth (%)	11%	(17)%	

Consolidated:

Sl. No.	Key Ratios	March 31, 2022	March 31, 2021	Reason for change in FY 22
1.	Interest Coverage ratio (turns)	(0.08)	(1.05)	The significant improvement in ratios is primarily due to increase in sales volumes resulting in better absorption of overheads.
2.	Operating Profit Margin (%)	(0.1)%	(2)%	
3.	Net Profit Margin (%)	1%	(5)%	
4.	Return on Networth (%)	5%	(33)%	

4.3.2. Operations and Manufacturing Review

In the Steering and Linkages business, the demand was low in the first quarter due to the second wave. However, from the second quarter the demand started to surge and there were other challenges in terms of logistics and inflation across all commodities. With a back to back settlement agreement with most of the customers, the increase in commodity prices were recovered from customers. The other inflationary increases in logistics and other costs were offset by several cost reduction measures across all plants. The plants also operated effectively by optimising the capacity and through various productivity improvement projects.

Several new products were developed and delivered during the period. The supply chain was also developed through various technical assistance initiatives to make them suitable for the global market.

RML also acquired Steering Components Business (SCB), of 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.

The Company's focus on new technologies continued during the year with good progress on the development of several new products which will pave the way for future growth aspirations.

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. The capacity utilisation of this division improved significantly to about 86% in Q4 after nearly two years of very low utilisation.

4.4 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 unfavorable product mix impacting the profitability, given that a major portion of labor 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.

4.5. Pursuit of Business Excellence

As we continue to operate in a dynamic and volatile environment, the company is committed to business excellence and has embraced digital and virtual audit systems to provide the check and balance needed to facilitate continuous improvement. Despite several headwinds, the close coordination and nimbleness of the team helped us win 4 customer awards in a year where many customers did not conduct formal vendor meets.

- NPD award from AL Defense.
- Zero PPM Quality award from DICV.
- Exceptional support and Appreciation from ITL.
- Best Quality performance award from TML Spare parts division.

4.6. Opportunities and Threats

India being the fastest growing economy in the world, will continue to grow. Stable geo-political situation maintained by India, with an aggressive growth plan will provide the necessary momentum for creation of opportunities. Various government initiatives such as "Make in India", "Atmanirbar Bharath" along with huge infrastructure projects to improve roads, airports etc. taken up will aid the growth. Automotive Industry has been also advancing towards new / disruptive technology implementation such as EV Vehicles, Driver assistance technologies, Enhanced Safety features, using AI / Industry 4.0 in manufacturing which creates new avenues for growth and step forward to be at par with global vehicle manufacturers. All these factors enable an increased demand for export of vehicles and components from India in addition to a robust growing Indian market.

Industry is facing multiple challenges across various spectrum of businesses not limited to COVID pandemic for the past 24 months. Uncertainties continue with issues like semi-conductor shortages, hyper inflationary trend in commodity markets, supply chain disruptions, logistics issues due to container shortages, manufacturing shutdowns, environmental / safety regulations by various governments forcing vehicles manufacturers to incur huge additional costs along with volatility in fuel prices causing dent in customer demands. These issues have impacted the overall vehicle production / sales across the globe.

Even with advancement of technology towards EV vehicles, products manufactured by Steering division and Light Metal castings division would continue to be relevant in those vehicles and hence negates any adverse impact. Both the divisions have secured significant domestic and export orders and working towards further strengthening both product / customer portfolios globally.

4.7. Outlook

Demand would continue to grow in spite of various challenges which are being mitigated with appropriate actions. Growth in budgetary expenditure towards improving infrastructure, agriculture and defense will push the demand up in large segments of the industry. Schemes / incentives announced by the government on PLIs, Scrappage policy will enable the organizations to increase their spend in establishing new manufacturing plants / bring in latest technology.

Vehicle manufacturers are struggling to produce and deliver vehicles due to non availability of semi-conductors, raw materials, supply chain failures leading to a long waiting period. Vehicle manufacturers are focusing on EV and technology features loaded vehicles and have lined up multiple launches. Even though the industry wide forecast for FY23 looks optimistic, situation as it evolves might change the same.

Steering business is witnessing a good demand across all segments. Commercial Vehicle industry demand has increased due to high spend on infrastructure projects. While the waiting period for Passenger Vehicles has gone up to almost 6 months, vehicle manufacturers are working on various challenging factors to increase their output. Steering business has improved its Share of Business with all the existing customers and adding new customers too. This has resulted in winning various domestic and global orders and poised for growth in FY23.

Light Metal Casting business in India has further strengthened its customer portfolio which has improved its capacity utilization and revenue growth. The US subsidiary has gained customer confidence and growing both within the customer and adding new customers. Businesses have been secured both in India and for global supplies for the Light Metal Casting business.

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. Other risks are covered as part of the internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at 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	Quality	Risk of product recall in growing International Business	a) Increase product liability coverage. b) Improve process capability and enhance prevention controls on Critical / performance related characteristics c) Establish robust process and Improve NPD quality through 'Safe Launch Process'. d) Fully automated assembly line with inbuilt quality controls, traceability for new export customers.
	International Growth	Risk of dependence on one Customer for International Business Growth.	The Company is targeting business development with other Global Steering gear suppliers.
Operational	Quality / Processes	Quality and delivery are sacrosanct for 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 performance management system and other employee engagement initiatives help develop and retain talent. Further employee feedback is obtained and improvements in People Process are made to sustain the Great Place to Work (GPTW) Certification.
	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs and will erode margin.	The Company constantly strives to mitigate the input cost increases by: a) Working on cost-reduction initiatives through alternate sourcing, localization, etc. b) Negotiating and passing through input cost, which increases suitably, to the customers. c) Working on process improvements, yield improvements, etc.

	Risk	Nature of Risk	Risk Mitigation Strategies
Financial	Currency Risk	Exposed to foreign currency exchange risk as we export 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 forwards on a rolling basis to protect its export realization.
	Interest Rate Risk	Use of borrowings to fund expansion exposes the Company to interest rate risk.	The Company manages interest rate risk on the following basis: a) Maintaining optimal debt-equity levels. b) Using internal accruals to fund expansion. c) Ensuring a competitive interest rate by leveraging multiple banking relationship. d) Constantly optimizing export packing credit to reduce interest costs.

6. Human Resource Development and Industrial Relations

Talent Development Initiatives

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

6.1. Leadership Development

- Leadership Boot Camp is an intervention to strengthen the engagement of entry level talent for swift assimilation and high performance. 8 GETs joined RML in 2021 and are part of the GET connect program that has learning elements such as campus to corporate workshop, learning on machines, leadership and values workshop, function & practice orientation, stint in marketing, shadow exercise etc.
- 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. Seven 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 focused on Rane leadership competencies such as intrapreneurship, build leadership that will facilitate career transitions to leadership roles.
- As part of the Executive Leadership Development, 4 participants went through the "Leader as Coach" program whose objective is to cultivate appreciation of behavioral change and encourage a culture of development among senior leaders. The learning from the 10-month long intervention helped the participants in leading and collaborating with teams and driving critical outcomes.

Rane Manufacturing Systems Professional Programme (RMSP)

RMSP - Advanced is our flagship program launched with the objective of building manufacturing capability. The Gemba based learning intervention is for employees in Manufacturing, Manufacturing Engineering, Quality Assurance and Plant Engineering at junior and middle management levels. The 18-month intervention comprises modules in Manufacturing Processes, Manufacturing Systems – common & function specific and Advanced Manufacturing and is facilitated by internal and external resource persons.

5 participants from batch III completed their 18-month learning journey, 15 projects have been carried out by the participants in PQCDMS in line with their RMSP learning. 12 participants from batch V & VII are undergoing their RMSP journey.

RMSP - Basic is a recently launched initiative with an objective of enhancing manufacturing capability across a wider employee pool. It is delivered in a shorter format combining Gemba based learning and virtual instructor led sessions, spanning over six months. 10 participants have begun their RMSP – Basic learning journey.

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, 55 programs focusing on technical, general management and soft skills was organized by RIED. The company achieved 675 training man-days covering 316 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. The 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

During the financial year, long-term wage settlements with the employee union at Pondicherry and Mysuru plants were concluded smoothly. 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 amongst all segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing of best practices.

7. 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.

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.

Other major CSR activities carried out by the company during FY 2021 - 22 are as follows:

- Established smart classroom in Govt. Girls Higher Secondary School, Thiruvandar Koil, Pondicherry and augmented seating facility in Panchayat School at Varanavasi, Kanchipuram, Tamil Nadu.
- Supported district administrative hospitals & primary health care centers in Mysuru, Varanavasi and Pantnagar to fight COVID second wave by providing medical aid such as isolation kits, BIPAP masks, oxygen cylinders etc.
- Assisted the local community in Thirubhuvanai village, Pondicherry by installing trash collecting bins and conducted awareness campaign.

CSR Monitoring mechanism – To ensure continued service of all our CSR initiatives, we monitor the previous two-year projects through regular visits and extend our support in maintaining the facilities.

8. Internal Control Systems

The Company has set up 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 utilized 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 annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy.

9. 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 (Madras) Limited
[CIN: L65993TN2004PLC052856]
"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 (MADRAS) 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 factory 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) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Overseas Direct Investment ('FEMA').

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

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

(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 (vii) 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 Foreign Direct Investment and 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 16th 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 10th 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 13th August 2021; and

(f) 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) Non-Executive Non-Independent Directors; and

(b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.

(iii) The Company was not required to appoint an Executive Director, since it has appointed whole-time key managerial personnel in the position of Manager under Section 203(1)(i) of the Companies Act, 2013 (the Act).

(iv) 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. M Lakshminarayan (DIN: 00064750) as an Independent Director, with effect from conclusion of the Board meeting held on May 21, 2021, as per the retirement policy of the Company.

(b) Retirement of Mr. L Lakshman (DIN: 00012554), Non-Executive Non-Independent Director, as a Director, with effect from closure of business hours on May 27, 2021, as per the retirement policy of the Company.

(c) Appointment of Mr. S Sandilya (DIN: 00037542) as an Additional Director in the category of Independent Director, with effect from May 21, 2021, and his appointment as an Independent Director not liable to retire by rotation, to hold office for a term of 2 (two) consecutive years from May 21, 2021 to May 20, 2023, at the 17th Annual General Meeting (AGM) held on July 20, 2021.

(d) Appointment of Mr. Ramesh Rajan Natarajan (DIN: 01628318) as an Additional Director in the category of Independent Director, with effect from May 21, 2021, and his appointment as an Independent Director not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from May 21, 2021 to May 20, 2026, at the 17th Annual General Meeting held on July 20, 2021.

(e) Re-appointment of Mr. Pradip Kumar Bishnoi (DIN: 00732640) as an Independent Director not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years, from July 20, 2021 to July 19, 2026, at the 17th Annual General Meeting held on July 20, 2021.

(f) Re-appointment of Mr. Harish Lakshman (DIN: 00012602) as a Director, upon retirement by rotation at the 17th Annual General Meeting held on July 20, 2021.

2.2 Board meetings

(i) Adequate notice was given to all the directors to enable them 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 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) Preferential issue of shares to Rane Holdings Limited

<u>Allotment on August 12, 2021</u>

8,49,979 Equity shares of ₹10/- each, fully paid-up, were allotted to Rane Holdings Limited (RHL), Promoter and Holding Company, on August 12, 2021, pursuant to exercise of 8,49,979 convertible warrants (partial conversion of the 25,49,936 warrants allotted on January 29, 2021 on preferential basis) by RHL, and receipt 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 ₹15 Crores from RHL. Consequent to this allotment, the shareholding of RHL in the Company increased from 99,72,816 Equity shares (68.47%) to 1,08,22,795 Equity shares (70.21%) of ₹10/- each, fully paid-up, and the Paid-up share capital of the Company increased from 1,45,65,309 Equity shares to 1,54,15,288 Equity shares, of ₹10/- each fully paid-up.

<u>Allotment on January 11, 2022</u>

8,49,979 Equity shares of ₹10/- each, fully paid-up, were allotted to RHL on January 11, 2022, pursuant to exercise of 8,49,979 convertible warrants (conversion of the entire balance outstanding 8,49,979 warrants out of the 25,49,936 warrants allotted on January 29, 2021 on preferential basis) by RHL, and receipt 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 ₹15 Crores from RHL. Consequent to this allotment, the shareholding of RHL in the Company increased from 1,08,22,795 Equity shares (70.21%) to 1,16,72,774 Equity shares (71.77%) of ₹10/- each, fully paid-up, and the Paid-up share capital of the Company increased from 1,54,15,288 Equity shares to 1,62,65,267 Equity shares, of ₹10/- each, fully paid-up.

(B) Overseas Direct Investment in Rane (Madras) International Holdings B.V.

Further Investment of Euro 8,113,000 [INR equivalent – ₹64.79 Crores (approx.)] in Non-Cumulative Redeemable Preference Shares (NCRPS) of Rane (Madras) International Holdings B.V., The Netherlands, wholly-owned subsidiary 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: **F006312D000355078**

Place: Chennai
Date: **May 20, 2022**

Annexure – A to Secretarial Audit Report of even date

To the Members of
Rane (Madras) Limited
[CIN: L65993TN2004PLC052856]
"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 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 of India, in respect of various compliance related events as stated therein.

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

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

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

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

K Sriram
Partner
Membership No.: **F6312**
Certificate of Practice No.: **2215**
UDIN: **F006312D000355078**

Place: Chennai
Date: **May 20, 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 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 focused on Education. RF has established Rane Polytechnic and Rane Vidyalaya at Trichy, Tamil Nadu. Rane Polytechnic is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022. 100% of the students who opted for placements were placed through campus interviews.

Rane Vidyalaya is recognized by Directorate of School Education, Tamil Nadu and is affiliated to the Central Board of Secondary Education, New Delhi and operates classes LKG to VII standard. During the year, it reached a student strength of 459 in its fourth year of operations and proving the need for a quality school in rural area.

The Company also contributed to several programmes with a focus on health care, Women Empowerment, Infrastructure Development including school renovation like:

- Established smart classroom in Govt. Girls Higher Secondary School, Thiruvandar Koil, Pondicherry and augmented seating facility in Panchayat School at Varanavasi, Kanchipuram, Tamil Nadu.
- Joined hands with district administrative hospitals & primary health care centres in Mysuru, Varanavasi and Pant Nagar to fight COVID second wave by providing medical aid such as isolation kits, BIPAP masks, oxygen cylinders etc.
- Assisted the local community in Thirubhuvanai village, Pondicherry by installing trash collecting bins and conducted awareness campaign.

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 / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. L Ganesh, Committee Chairman	Non-Executive Chairman and Promoter Director	One (1)	One (1)
2.	Ms. Anita Ramachandran, Committee Member	Non-Executive and Independent Director		
3.	Mr. Harish Lakshman, Committee Member	Non-Executive and Promoter Director	NA	NA

Note:

1) Mr. L Lakshman ceased to be chairman and member w.e.f. May 27, 2021. He attended one CSR Committee meeting held on May 21, 2021.

2) Mr. L Ganesh was designated as chairman w.e.f. June 29, 2021.

3) Mr. Harish Lakshman was inducted as a member w.e.f. June 29, 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
Ms. Gowri Kailasam	Manager & President - SLD
Mr. D Sundar	President - LMCI
Mr. B Gnanasambandam	Senior Vice President - Finance & CFO
Mr. V. Ramasubramanian	Associate Vice President-Human Resource

3. Web-links on the website of the Company

(a) Composition of CSR Committee : https://ranegroup.com/rane-madras-ltd-investors/

(b) CSR Policy and CSR projects approved by the Board:

https://ranegroup.com/rml_investors/corporate-social-responsibility-policy-and-aap

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	1,73,538/-	Nil

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

(Amount in ₹)

Particulars	2018-2019	2019-2020	2020-2021
Net Profit/(Loss) for the year	47,24,14,083/-	(24,43,04,034/-)	(50,68,65,105/-)
Adjusted Net profit (as per Section 198)	70,67,05,827/-	14,55,56,383/-	19,06,18,460/-
Average Net profit		**34,76,26,890/-**	

7. (a) Two percent of average net profit of the Company as per section 135(5) - **₹69,52,538/-**

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

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

(d) Total CSR obligation for the financial year (7a+7b-7c) - **₹69,52,538/-**

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

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
72,56,243/-	NIL			NIL	

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Education - Institutional Development	Promoting education	Yes	Tamil Nadu	Trichy	55,50,000/-	No	Rane Foundation (Registered Trust)	CSR00004387
		Promoting education	Yes	Pondicherry	Pondicherry	1,05,068/-	Yes	NA	NA
		Promoting education	Yes	Tamil Nadu	Kanchee-puram	2,77,000/-	Yes	NA	NA
2	Healthcare - Infrastructure facility	Promoting health care including preventive health care	Yes	Karnataka	Mysore	4,88,000/-	Yes	NA	NA
			Yes	Pondicherry	Pondicherry	97,000/-	Yes	NA	NA
			Yes	Tamil Nadu	Kanchee-puram	2,16,240/-	Yes	NA	NA
			Yes	Uttarakhand	Rudrapur, Uttham Singh Nagar	26,235/-	Yes	NA	NA
3	Healthcare	Promoting health care including preventive health care	Yes	Telangana	Medak, Hyderabad	3,45,600/-	No	Desire Society, Hyderabad	CSR00002465
		Promoting health care including preventive health care	Yes	Telangana	Hyderabad	14,600/-	Yes	NA	NA
4	Community Development	Sanitation	Yes	Pondicherry	Pondicherry	1,36,500/-	Yes	NA	NA
	TOTAL					72,56,243/-			

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

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

(f) Total amount spent for the Financial Year (9b+9c+9d+9e) - **₹72,56,243/-**

(g) Excess amount for set off - **₹3,03,705/-**

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	69,52,538/-
(ii)	Total amount spent for the Financial Year	72,56,243/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3,03,705/-
(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)]	3,03,705/-

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

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

For and on behalf of the Board

Ganesh Lakshminarayan
Chairman of CSR Committee
DIN: 00012583

Harish Lakshman
Director
DIN: 00012602

Chennai
May 20, 2022

Annexure D to the Report of the Board of Directors

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

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

A. Conservation of Energy

Steps taken or impact on conservation, Minimizing Power Consumption

- Increased usage of renewable energy sources – solar power and wind power.
- Energy conservation projects are identified through structured technique matrix and implemented.
- Energy efficient LED lights for shop floor, office and street lights.
- Energy efficient 5 star rated air conditioners for all new applications.
- Rain water harvesting and recharge pits to improve the ground water level.

Waste Elimination

- Projects identified with 3R-Reduce / Reuse / Recycle concept to minimize the wastes.
- Implementation of Variable Frequency Drive to optimize power consumption of motors.
- Compressed air consumption reduction through pneumatic design improvements.
- Implementation of returnable containers for finished goods to eliminate carton box.
- Reduce water consumption by reusing the treated water for toilet flushing.

Impact of such conservation projects

- Achieved and sustained water positive in two of the plants through various water conservation techniques.
- CO_2 emission reduction by enhanced usage of electricity from renewable energy sources.

Steps taken for utilizing alternate sources of energy

- Renewable energy source – Solar power & wind power is utilized.

Capital Investment in Energy Conservation Equipment

- During the year, the Company invested ₹0.86 Crores for sourcing renewable energy under the group captive scheme.
- The Company has also invested an amount of ₹0.57 Crores towards energy conservation equipment.

B. Technology Absorption

Efforts towards Technology Absorption

Research and Development plays a vital role in creating and adopting new technologies to enhance our efficiencies. As part of this initiative, we have taken various steps to improve our manufacturing capability to produce best quality products and be at par / exceed the global competitors. Some of the steps are mentioned below:

- Designed and developed automatic process for steering gear assembly to ensure First Time Right through advanced machine algorithms & machine learning.
- In-house Software – Digital HR Management created to improve the process of Recruitment and Training.
- Innovative machining process developed for Hydraulic products to achieve superior quality requirements.
- In-house software – Real Time monitoring of Asset Efficiency is implemented in critical model machines. This software helped to improve the asset efficiency by taking actions on the minor stoppages detected through the software.

Benefits derived (Product Improvement, Cost reduction, Product development or import substitution)

Product Improvement / Product Development

The Company is consistently focusing on initiatives towards improving product performance based on a clear product technology road map. Detailed action plans are arrived from this road map and are driven and monitored for their effective implementation. Few of such projects are:

- Aluminum housing design for ball joints to reduce weight.
- Hybrid rack technology to reduce the weight in steering gears.
- Smart Cylinder technology to sense the position of cylinder.
- Advanced ball joint technology to trigger early warning signal of loss of steering control.
- Use of high temperature application seals in cylinders for export markets.

Cost Reduction

Similarly, cost reduction initiative is an important element of management. In addition to cost reduction initiatives like Productivity Improvement in Process, we consistently optimize products through Value Analysis and Value Engineering process (VAVE) in consultation with customers. Few of the initiatives are:

- Steering cylinder cost reduction using breakthrough design and manufacturing process optimization.
- Steering linkage cost and weight optimization using improved tube materials.
- Hydraulic products castings optimized to enhance productivity and quality.
- Advanced manufacturing friction welding for linkages to improve quality performance.

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2021-22):

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

Research and Development expenditure incurred

(₹ in Crores)

Sl. No.	Particulars	2021-22	2020-21
A	Capital expenditure	6.40	1.94
B	Recurring expenditure	9.84	7.97
C	**Total**	**16.24**	**9.91**
D	Total R & D expenses as a percentage of total turnover	1.04%	0.86%

C. Foreign Exchange Earnings and Outgo

(₹ in Crores)

Foreign Exchange	2021-22	2020-21
Earnings	317.08	203.99
Outgo	58.06	37.92

For and on behalf of the Board

Chennai May 20, 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

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 fully 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, and 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 recognizes 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 Behavior – RANE COMPASS.

2. Board of Directors

Composition, Attendance & Meetings

As on March 31, 2022, the Board comprises of six (6) Non-Executive Directors with more than 50% being Independent Directors. The Chairman of the Board is a Non-Executive Director. 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. The composition of the Board as at end of FY 2021-22 was in conformity with the 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 (Act) read with Regulation 17A of SEBI LODR. None of the Independent Directors serves as an Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in listed Company not more than three (3) listed Companies are served by him / her as an Independent Director. Similarly, none of the Directors on the Board is a member of more than ten (10) Committees or Chairperson of more than five (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 change in their Directorship(s) / Committee position(s) as and when they take place.

During FY 2021-22 the Board of Directors met seven (7) times on May 21, 2021; July 16, 2021; July 20, 2021; October 11, 2021; October 20, 2021; January 24, 2022 and March 23, 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 membership / 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 (July 20, 2021)	Number of Directorship in other public Companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Ganesh Lakshminarayanan (00012583)	Chairman, Non-Executive & Promoter	7	Yes	3	4	-	6
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	7	Yes	1	5	1	2
Ms. Anita Ramachandran (00118188)	Non-Executive & Independent	7	No	-	8	2	7
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	7	Yes	-	2	-	2

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 20, 2021)	Number of Directorship in other public Companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Srinivasan Sandilya (00037542)	Non-Executive & Independent	6	Yes	2	3	4	5
Mr. Ramesh Rajan Natarajan (01628318)	Non-Executive & Independent	7	Yes	1	4	3	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.

The details of Directorship 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 Brake Lining Limited	Chairman & Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Non-Executive & Promoter
	Rane Holdings Limited	Chairman & Managing Director & Promoter
	Sundaram Finance Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman & Non-Executive & Promoter
	Rane Holdings Limited	Vice Chairman & Joint Managing Director & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Ms. Anita Ramachandran	Grasim Industries Limited	Non-Executive & Independent
	FSN E-commerce Ventures Limited	Non-Executive & Independent
	Happiest Minds Technologies Limited	Non-Executive & Independent
	Metropolis Healthcare Limited	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
	Rane Holdings Limited	Non-Executive & Independent
Mr. Srinivasan Sandilya	Rane Brake Lining Limited	Non-Executive & Independent
	Eicher Motors Limited	Chairman & Non-Executive & Independent
	Mastek Limited	Chairman & Non-Executive & Independent
Mr. Ramesh Rajan Natarajan	TTK Healthcare Limited	Non-Executive & Independent
	Indo- National Limited	Non-Executive & Independent
	Cholamandalam Investment And Finance Company Limited	Non-Executive & Independent

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

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

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 fulfil 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. 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 familiarization programme for the Independent Directors are disclosed in the website of the Company at the web-link at https://ranegroup.com/rml_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 allow them to make effective contributions to the Board and Committees. The Board ensures and maintains 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 for it to function effectively, inter-alia, are as follows:

Skills / Competence / Expertise	Remarks	Name of the Director
Industry and Technology	Possessing industrial, technical, operational expertise and experience in automotive, ancillary, emerging technologies and associations with industrial bodies and professional network.	Mr. L Ganesh Mr. Harish Lakshman Ms. Anita Ramachandran Mr. Pradip Kumar Bishnoi Mr. Srinivasan Sandilya
Business development	Experience in driving business success across various geographies, diverse business environment, economic conditions , its cultures and global market opportunities.	Mr. L Ganesh Mr. Harish Lakshman Mr. Pradip Kumar Bishnoi Mr. Srinivasan Sandilya
Governance	Having insight into maintaining effective Board and management relationship, protecting stakeholders' interest and observing appropriate governance practices.	Mr. L Ganesh Mr. Harish Lakshman Ms. Anita Ramachandran Mr. Pradip Kumar Bishnoi Mr. Srinivasan Sandilya Mr. Ramesh Rajan Natarajan
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 Ms. Anita Ramachandran Mr. Pradip Kumar Bishnoi Mr. Srinivasan Sandilya Mr. Ramesh Rajan Natarajan

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year May 21, 2021; July 20, 2021; October 20, 2021 and January 24, 2022 with requisite quorum was present throughout the meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. Pradip Kumar Bishnoi	Chairman, Non – Executive & Independent	4
Ms. Anita Ramachandran	Member, Non - Executive & Independent	4
Mr. Ramesh Rajan Natarajan	Member, Non - Executive & Independent	3
Mr. L Ganesh	Member, Non – Executive & Promoter	3

Note:

1. Mr. M Lakshminarayan retired as per the retirement policy of the Company, effective from the conclusion of the Board meeting held on May 21, 2021. During the year he attended one meeting held on May 21, 2021.
2. Mr. L Lakshman retired as per the retirement policy of the Company, w.e.f May 27, 2021. During the year he attended one meeting held on May 21, 2021.
3. Mr. L Ganesh and Mr. Ramesh Rajan Natarajan were inducted as members of the Committee w.e.f June 29, 2021.

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 Manager, Business Head(s) and 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 July 20, 2021.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (Board) in reviewing the financial information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of Internal 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 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 are in line with the provisions of SEBI LODR / Companies Act, 2013, which are mentioned hereunder:

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the Internal Auditor 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 crores 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 auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of The Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee approves payments to Statutory Auditor for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of SEBI LODR, the Audit Committee accords prior approval for all Related Party Transactions (RPTs), including any modifications thereto, as per the policy on 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, 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 two (2) times during the year, viz., May 14, 2021 and January 24, 2022 with requisite quorum was present throughout the meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Ms. Anita Ramachandran	Chairperson, Non-Executive & Independent	2
Mr. S Sandilya	Member, Non-Executive & Independent	-
Mr. Harish Lakshman	Member, Non-Executive & Promoter	1

Note:

1. Mr. M Lakshminarayan ceased to be a Chairman & Member of the Committee, effective from the conclusion of the Board meeting held on May 21, 2021, during the year, he attended one meeting held on May 14, 2021.
2. Mr. L Lakshman ceased to be a member of the Committee of the Company, w.e.f May 27, 2021. During the year, he attended one meeting held on May 14, 2021.
3. Mr. Harish Lakshman & Mr. S Sandilya were inducted as members of the Committee, effective June 29, 2021.
4. Ms. Anita Ramachandran was designated as Chairperson of the committee effective from June 29, 2021.
5. Mr. L Ganesh ceased to be a member of the Committee effective January 01, 2022. During the year, he attended one meeting held on May 14, 2021.

Overall purpose and terms of reference

The brief of terms of reference of the NRC are in line with the provisions of SEBI LODR / Companies Act, 2013 and the roles of the NRC, 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 Director/ Manager.
- 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,

- considered and recommended the appointment of Mr. Srinivasan Sandilya and Mr. Ramesh Rajan Natarajan as the Independent Directors.
- considered re-appointment of Mr. Pradip Kumar Bishnoi, Independent Director for a second term.
- considered and recommended the payment of commission to Mr. L Ganesh, Chairman.
- reviewed the compensation benefits of SMP and KMP of the Company.
- reviewed and recommended the process of Board evaluation, its committees and Directors.

Remuneration Policy

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

Remuneration to Non-Executive Directors

During the year, approval was accorded by the shareholders by way of a special resolution at the 17th AGM held on July 20, 2021, in terms of Section 197 of the Companies Act, 2013 and the rules made thereunder, for payment of commission not exceeding 2% of the net profits or minimum remuneration of ₹71,00,000/- to Mr. L Ganesh, Chairman for a period of three financial years from April 01, 2021 to March 31, 2024.

Further, in terms of Regulation 17(6) (ca) of SEBI LODR an additional annual approval from shareholders was obtained for payment of remuneration to Mr. L Ganesh, Non-Executive Chairman, whose total annual remuneration exceeded fifty per cent (50%) of the total annual remuneration payable to all other Non-Executive Directors for the FY ended March 31, 2022. An annual approval under said regulations is being sought at the ensuing 18th AGM for payment of commission to Mr. L Ganesh for FY 2022-23, exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

Other Non-Executive Directors receive sitting fee 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	40,000
Audit committee	35,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

Details of remuneration paid to Directors

The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended 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	4,12,500	1,06,57,000	839
Mr. Harish Lakshman	3,12,500	-	750
Ms. Anita Ramachandran	4,45,000	-	-
Mr. Pradip Kumar Bishnoi	4,30,000	-	-
Mr. Ramesh Rajan Natarajan	3,90,000	-	-
Mr. S Sandilya	2,40,000	-	-
Total	22,30,000	1,06,57,000	1,589

Note:

1. Commission for the financial year 2021-22 to Mr. L Ganesh, Chairman is paid/payable in accordance with approval of the shareholders at the 17th AGM held on July 20, 2021.
2. No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
3. The Company does not have any Managing Director or Whole-time Director and therefore disclosure relating remuneration payable from the holding company or any of the subsidiary companies does not arise.
4. Shareholding includes joint holdings & HUF, if any.
5. Mr. M Lakshminarayan and Mr. L Lakshman retired as per the retirement policy of the Company with effect from May 21, 2021 and May 27, 2021 and were paid sitting fees of ₹85,000/- and ₹95,000/- respectively.

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, i.e., May 21, 2021 and October 20, 2021 with requisite quorum present throughout the meetings. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. Harish Lakshman	Chairman, Non - Executive & Promoter	2
Mr. Pradip Kumar Bishnoi	Member, Non - Executive & Independent	2
Mr. Ramesh Rajan Natarajan	Member, Non - Executive & Independent	1

Note:

1. Mr. L Lakshman retired as per the retirement policy of the Company with effect from May 27,

2021. During the year, he attended one meeting held on May 21, 2021.

2. The Committee was reconstituted with Mr. Harish Lakshman being designated as Chairman and Mr. Ramesh Rajan Natarajan inducted as member with effect from June 29, 2021.

Overall purpose and terms of reference

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

- 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.

There were no compliant pending / unresolved at the end of the financial year 2021-22. The Chairman of the SRC was present at the last AGM of the Company held on July 20, 2021 to answer queries of the security holders. The SRC at its meeting held on May 21, 2021 and October 20, 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 21, 2021 with requisite quorum present throughout the meeting. 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, Non – Executive & Promoter	1
Ms. Anita Ramachandran	Member, Non – Executive & Independent	1
Mr. Harish Lakshman	Member, Non – Executive & Promoter	-

Notes:

1. Mr. L Lakshman retired as per the retirement policy of the Company with effect from May 27, 2021. During the year, he attended one meeting held on May 21, 2021.
2. The Committee was reconstituted with Mr. L Ganesh being designated as Chairman and inducted Mr. Harish Lakshman as member with effect from June 29, 2021.

Overall purpose and terms of reference

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.
- Carryout implement assessment of projects / programmes, where required.
- Ensure utilization of CSR expenditure.
- Such other terms as required under the 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 Report of Board of Directors as **'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, Non-Executive & Promoter	2
Mr. Harish Lakshman	Member, Non-Executive & Promoter	2
Mr. Pradip Kumar Bishnoi	Member, Non-Executive & Independent	2
Mr. D Sundar	Member, President - LMCI – Management Group	2
Ms. Gowri Kailasam	Member, President - SLD – 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.,

(1) To formulate a detailed risk management policy which shall include:

  (a) 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.

During the year, the Committee met two (2) times on October 20, 2021 & March 23, 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 non-executive Directors who are also part of the Promoters, viz., Mr. L Ganesh and Mr. Harish Lakshman as its members. The Committee is authorised to approve borrowings and connected matters, in accordance with the delegations made by the Board, from time to time. The Company Secretary acts as Secretary of the Committee. During the year, the Committee met five (5) times on June 02, 2021, September 03, 2021, October 08, 2021, December 01, 2021 and March 22, 2022 to approve matters relating to availment of credit facilities from various banks.

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 of officials under various legislations, operation of bank accounts and other administrative matters between two consecutive meetings of the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

Issue and Allotment Committee

The Committee was constituted in connection with the preferential issue of warrants / equity shares and it comprises of two Non-Executive Directors Mr. L Ganesh and Mr. Harish Lakshman as its members. During the year, two meetings held on August 12, 2021 and January 11, 2022 were held to issue and allot equity shares arising upon conversion of warrants.

All members attended two meetings. No sitting fees is payable to the Committee members. The Company Secretary acts as Secretary to the Committee.

Investment Committee

An Investment Committee comprising of 2 Non-Executive Directors viz., Mr. L Ganesh, Mr. Harish Lakshman as its members is constituted to explore and in detail study any proposal for acquisition, carry out activities in connection with such proposals, submit recommendations to the Board, make investments and give financial support to Intermediate Holding Company (IHC) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) of the Company, from time to time, within the overall limits approved by the Board. No sitting fees is payable to the Committee members. The Company Secretary acts as Secretary to the Committee. No meeting was held during the year.

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 https://ranegroup.com/rml_investors/code-of-conduct/. The Board members and SMP have affirmed their compliance with the code of conduct. Declaration from the Manager of the Company to this effect is provided as **Annexure (i)** to 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 weblink: https://ranegroup.com/rml_investors/code-of-fair-disclosure/.

10. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue / Mode
July 20, 2021 (17th AGM)	1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the remuneration payable to Mr. Ganesh Lakshminarayan (DIN: 00012583), Chairman (Non-Executive Director) exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors. 2. Approval for payment of commission to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman and Non-Executive Director for a period of three years. 3. Re-appointment of Mr. Pradip Kumar Bishnoi (DIN: 00732640) as an Independent Director for a second term.	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC / OAVM)
August 07, 2020 (16th AGM)	1. Approval of appointment and remuneration of Ms. Gowri Kailasam, as Manager. 2. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors.	15:00 hrs	Video Conferencing / Other Audio Visual Means (VC / OAVM)
July 24, 2019 (15th AGM)	1. Approval under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors.	10:15 hrs	The Music Academy (Mini Hall), New No. 168, T.T.K. Road, Royapettah, Chennai - 600 014

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

11. Other 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 for those disclosed in **'Annexure G'** to this report of the Board of Directors. 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 the promoter / promoter group as per Ind AS are stated in Note no. 35 of the financial statements. The policy on related party transaction is available on the web-link of the Company at https://ranegroup.com/rml_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) maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the registered office of the Company and allows re-imbursement of expenses incurred in performance of his duties.

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

c) 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 no material subsidiary as defined in Regulation 24 of the SEBI LODR. However, the Company has framed a policy for determining "material subsidiary" and the same is available on the web-link at https://ranegroup.com/rml_investors/policy-on-material-subsidiaries/.

viii. The Company has obtained a 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 this report on corporate governance.

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 Regulation 16 read with Regulation 25 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 Manager 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 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) to the Board in the relevant financial year under review.

xv. The total fees for all services paid by the Company to Statutory Auditor and its network entities are given as under. The subsidiaries have not availed any services from these entities:

(₹ 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. LLP, Chartered Accountants	0.34	-	0.27	-
Network entities and firms of BSR & Co. (if any)	-	-	-	-
M/s. Deloitte Haskins and Sells, Chartered Accountants	-	-	0.06	-
Network entities and firms of DHS & Co. (if any)	-	-	0.07	-
Total	0.34	-	0.40	-

xvi. During the year, 16,99,958 warrants were converted and allotted into equivalent equity shares to Rane Holdings Limited (RHL). There are no outstanding warrants due for conversion into Equity.

xvii. The Board of Directors at their meeting held on May 21, 2021 has formulated a Dividend Distribution Policy and the same is available on the website of the Company weblink: https://ranegroup.com/rml_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 statues, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

xix. There were no loans / advances to firms/ companies in which Directors are interested.

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 whistleblower 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 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 https://ranegroup.com/rml_investors/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 uploaded on the websites of the Stock Exchanges and the Company viz., www.ranegroup.com. During the year, press releases and presentations that were made to analysts / institutional investors and they were also made available in 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. However, the hard copies of annual reports were dispatched to those shareholders whose email address were not registered with depositories/company. 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 17th 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 10:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

ii. **Financial Year: April 01, 2022 – March 31, 2023**

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements* for the year ended March 31, 2022	May 20, 2022
Unaudited financial results* for the 1st quarter ending June 30, 2022	By fourth week of July 2022

Board meeting for approval of	Tentative schedule
Unaudited financial results* for the 2nd quarter ending September 30, 2022	By fourth week of October 2022
Unaudited financial results* for the 3rd quarter ending December 31, 2022	By fourth week of January 2023

(*both standalone and consolidated financial statements and financial results)

The above schedule dates are only tentative in nature and may undergo changes due to change in circumstances.

iii. Dividend

No dividend has been declared for the financial year 2021-22.

iv. Listing on Stock Exchanges

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

Listing Fee

The shares of the Company are listed on NSE & BSE, which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2022 - 23 to NSE & BSE, where the shares of the Company continue to be listed. There shares of the Company were not suspended from trading during the FY 2021-22.

v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Dividend for the financial year ended March 31, 2013 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 the unclaimed Final Dividend of ₹1,86,560.00/- for the financial year ended March 31, 2014 to IEPF on September 09, 2021. Members who have not encashed the Dividend warrants are requested to make their claim to the Company.

Information in respect of such unclaimed Dividends when due for transfer to the said fund is given below:

(Amount in ₹)

Year	Date of declaration	Dividend per share#	Amount outstanding in Unclaimed Dividend Account (as on 31-03-2022)^	Last Date for claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2015	31.07.2015	4.50	1,86,665.00	06.09.2022	06.10.2022
31.03.2016*	10.03.2016	3.50	1,97,060.00	16.04.2023	16.05.2023
31.03.2017*	23.01.2017	2.00	1,11,436.00	29.02.2024	30.03.2024
31.03.2017	24.08.2017	4.00	1,84,740.00	29.09.2024	29.10.2024
31.03.2018*	23.01.2018	4.50	1,51,434.50	28.02.2025	29.03.2025
31.03.2018	25.07.2018	7.50	1,67,025.00	31.08.2025	30.09.2025
31.03.2019*	22.01.2019	4.00	1,25,292.00	27.02.2026	26.03.2026
31.03.2019	24.07.2019	4.50	1,42,187.00	29.08.2026	28.09.2026

share of paid-up value of ₹10 per share

* interim Dividend

^ amount reflect the confirmation of balance issued by Bank(s)

During the year, the Company had filed with the 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 at 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 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 transferred
2013 – 14 (Final)	388

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 website at www.ranegroup.com. 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 prescribed on the website of IEPF at 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. 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 during the year. 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	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	5	776
Claim received during the year for transfer	0	0
Shares Transferred during the year	0	0
Balance at the end of the year	5	776

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 1, 2021– March 31, 2022 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (in ₹)				Share Prices (in ₹)			
	High	Low	High	Low	High	Low	High	Low
April 2021	388.00	318.65	50,375.77	47,204.50	383.85	325.60	15,044.35	14,151.40
May 2021	424.00	324.75	52,013.22	48,028.07	418.00	328.00	15,606.35	14,416.25
June 2021	417.00	338.05	53,126.73	51,450.58	408.00	344.00	15,915.65	15,450.90
July 2021	457.20	364.05	53,290.81	51,802.73	457.25	362.00	15,962.25	15,513.45
August 2021	489.65	371.00	57,625.26	52,804.08	486.00	371.00	17,153.50	15,834.65
September 2021	407.00	375.30	60,412.32	57,263.90	408.00	375.00	17,947.65	17,055.05
October 2021	425.60	361.00	62,245.43	58,551.14	426.35	360.10	18,604.45	17,452.90
November 2021	390.00	330.00	61,036.56	56,382.93	384.90	329.00	18,210.15	16,782.40
December 2021	433.10	312.30	59,203.37	55,132.68	434.60	311.25	17,639.50	16,410.20
January 2022	450.50	307.35	61,475.15	56,409.63	452.95	366.05	18,350.95	16,836.80
February 2022	447.40	319.00	59,618.51	54,383.20	448.10	317.25	17,794.60	16,203.25
March 2022	384.55	319.00	58,890.92	52,260.82	385.00	319.00	17,559.80	15,671.45

source: www.bseindia.com & 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.
Website: www.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 an yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

xi. Distribution of shareholding as on March 31, 2022

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	18,026	94.04	11,36,993	6.99
501 - 1000	490	2.56	3,85,591	2.37
1001 - 2000	307	1.60	4,72,574	2.91
2001 - 3000	123	0.64	3,12,402	1.92
3001 - 4000	54	0.28	1,95,109	1.20
4001 - 5000	36	0.19	1,68,150	1.03
5001 - 10000	79	0.41	5,69,376	3.50
10001& above	53	0.28	1,30,25,072	80.08
Total	19,168	100.00	1,62,65,267	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 dematerialization of the shares held by investors. As of March 31, 2022, about 99.52% of the shareholdings have been dematerialized. The promoter and promoter group hold their entire shareholding only in dematerialized form. A comparative table 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	77,521	80,115	0.48	0.55
Demat	1,61,87,746	1,44,85,194	99.52	99.45
Total	1,62,65,267*	1,45,65,309	100.00	100.00

* Includes 16,99,958 Equity Shares allotted during the year

A reconciliation of share capital, audited by Practicing Company Secretary (PCS) is submitted to the Stock Exchanges on a quarterly basis in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018. The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: **INE050H01012**

During the year, the Company has not issued any equity share with differential voting rights nor granted stock options nor sweat equity shares. The issue of warrants convertible into equity shares have been discussed in the earlier sections of this report. 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. Plant locations - Refer corporate overview section of the annual report.

xv. Credit Rating

The details of Credit Ratings assigned to the debt instruments / total bank loan facilities of the Company as on March 31, 2022 are as follows:

Rating Agency	Security - Type	(₹ in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date
CRISIL Limited	Long term	163.20	A-	Negative	Re-affirmed	June 23, 2021
	Short term	334.80	A2+	-		

(xvi) Address for communication:

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

OR

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

Annexure (i)

To
The Members,
Rane (Madras) Limited

Declaration by Manager 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 20, 2022

Gowri Kailasam
Manager

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 (Madras) Limited
[CIN: L65993TN2004PLC052856]
"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 (MADRAS) 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, Non-Executive, Promoter	00012583
2.	Harish Lakshman	Vice-Chairman, Non-Executive, Promoter	00012602
3.	Srinivasan Sandilya	Non-Executive, Independent	00037542
4.	Anita Ramachandran	Non-Executive, Independent	00118188
5.	Pradip Kumar Bishnoi	Non-Executive, Independent	00732640
6.	Ramesh Rajan Natarajan	Non-Executive, Independent	01628318

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 the Ministry of Corporate Affairs; and
2. Our verification of the disclosures/ declarations/ confirmations provided by the said directors to the Company and other relevant information, explanation and representations provided by the Company, its officers and agents.

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of 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 its Corporate Governance process or the process by its management with regard to appointment / continuation of a person as a Director on the Board of the Directors 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: **F006312D000355287**

Place: Chennai
Date: **May 20, 2022**

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 (MADRAS) LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated May 6, 2022.

2. We have examined the compliance of conditions of Corporate Governance by **Rane (Madras) 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 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 the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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 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 the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to 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.

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

S Sethuraman
Partner
Membership No: 203491
UDIN: **22203491AJHKGS2194**

Place: Chennai
Date: May 20, 2022

Annexure F to the Report of the Board of Directors

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of SEBI LODR, 2015

Section A: General information about the Company

1.	Corporate Identity Number (CIN) of the Company:	L65993TN2004PLC052856
2.	Name of the Company:	Rane (Madras) Limited
3.	Registered address:	"Maithri", No.132, Cathedral Road, Chennai - 600 086; Phone: 044–28112472
4.	Website:	www.ranegroup.com
5.	e-mail ID:	investorservices@ranegroup.com
6.	Financial Year reported:	FY 2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Components for the Transportation Industry NIC codes: Steering & suspension linkages and gear products – 29301; and Other articles of aluminium - 2432
8.	List three key products/services that the Company manufactures / provides (as in balance sheet):	1. Steering and suspension linkages 2. Steering gear products 3. Other articles of aluminium
9.	Total number of locations where business activity is undertaken by the Company: a) Number of International Locations (Provide details of major 5) b) Number of National Locations	The total number of locations where business activities undertaken by the Company – 13 nos. a) International locations – 1 nos.- Kentucky, USA b) National locations – 12 nos. Plants: Chennai / Mysore / Puducherry / Uttarakhand / Hyderabad / Varanavasi / Maraimalai Nagar Depots: Pune / Jamshedpur / Jaipur / Jalandhar / Chennai
10.	Markets served by the Company – Local / State / National / International	All

Section B: Financial details of the Company

1. Paid-up Capital: ₹16,26,52,670/-
2. Total Turnover: ₹1,528.78 crores
3. Total profit/(loss) after taxes: ₹36.61 crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **1.97%**
5. List of activities in which expenditure in 4 above has been incurred:

   The Company's CSR vision is **'to be a socially and environmentally responsible corporate citizen'**. The Company continues to focus on four thrust areas for its CSR activities, viz., Education, Healthcare, Environment and Community Development. During the year, the Company has implemented several projects primarily focusing on Education followed by Healthcare, which are in detail furnished in the annual report on CSR activities annexed to the report of the Board of Directors.

Section C: Other details

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. The Company has 2 wholly owned overseas subsidiaries including one step down subsidiary. The Company is also a subsidiary of Rane Holdings Limited. The Company, its subsidiaries, holding company and fellow subsidiaries are collectively referred to as 'Rane Group of Companies'.

2. **Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):**

   No. The 2 wholly owned subsidiaries do not participate in Business Responsibility initiatives of the Company.

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

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

Section D: BR information

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

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

DIN	Name	Designation
00012583	Mr. Ganesh Lakshminarayan	Chairman

b) Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN	NA
2.	Name	Ms. Gowri Kailasam
3.	Designation	Manager & President - Steering & Linkages Division
4.	Telephone number	044-28112472
5.	e-mail ID	gowri.kailasam@ranegroup.com

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

a) Details of compliance (Y / N)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Do you have a policy/ policies for the principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy 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?	https://ranegroup.com/rane-madras-ltd-investors/#policies								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(b) If answer to the question at serial number 1 against any principle is 'No', please explain why (Tick up to 2 options)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
The company has not understood the Principles	Not applicable								
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)									

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 a 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 is it 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-madras-ltd-investors/#annual_reports

Section E: Principle wise performance

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

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

   Yes. The Code of Conduct (Rane Compass) covers all employees of the Company and other Rane Group Companies. Every Company within the Rane Group, viz., all subsidiaries and joint ventures at all locations, every employee of the Company including its Directors come within the scope of the COMPASS.

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

   During the FY 2021-2022, the Company has received NIL 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]

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

   The Company incorporates innovative designs for its products with an imperative to protect the environment, conserve natural resources for achieving sustainable economic growth. These high value designs are developed with an environmentally friendly material and reduces the risks significantly. Some of the measures are:

   - Advanced ball joint technology to trigger early warning signal of loss of steering control.
   - Casting material optimisation by special grade alloy.
   - Advanced software development for special features of Electric Power Steering applications.

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

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

The Company constantly works on projects to reduce the resource (energy, water, raw material, etc.) consumption. Some examples include:

- Sustained water positive in two of the plants through various water conservation techniques

- Enhanced usage of electricity from renewable energy sources which are environment friendly and helps in CO_2 emission reduction
- Returnable packaging implementation which significantly reduces the single use carton boxes requirement

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

Not applicable

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 surveys, continuous risk assessments and audits. Also, there is communication to suppliers on the Company's sustainability requirements. The Company has an environment policy and safety policy. The Company mandates the vendors to ensure compliance with these policies. It covers various issues like health of workers and safety measures.

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

The Company has taken adequate steps to procure goods from local and small vendors. The steps taken to improve the capability and capacity of local vendors include:

- Imparting training and supporting the suppliers for developing Quality Management Systems for improving the product quality, reducing the wastages and sustainable development
- Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability
- Communicating on periodic basis and creating joint action plans to meet the requirements
- Ensuring statutory compliance including non-deployment of child labour in the factory premises

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

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

- Water conservation - Reuse of water – Treated water is reused for toilet flush to reduce fresh water requirement
- Returnable packaging implemented for customers thereby eliminating the requirement of single use carton boxes
- Rain water harvesting implemented across the plants to collect and recharge ground water levels

Principle 3: Wellbeing of employees [Businesses should promote the wellbeing of all employees]

1. Total number of employees: 2098
2. Total number of employees hired on temporary/ contractual/casual basis: 915
3. Number of permanent women employees: 41
4. Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: None
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	-	-
2.	Sexual harassment	1	-
3.	Discriminatory employment	-	-

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

(a) Permanent Employees – 100%

(b) Permanent Women Employees - 100%

(c) Casual/Temporary / Contractual Employees - 100%

(d) Employees with Disabilities - Nil

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

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

1. Has the company mapped its internal and external stakeholders? Yes / No: Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

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

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

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

   Yes. The Rane Compass (which is Rane's Policy on Ethical Standards and Behaviour), Rane Whistle Blower Policy and Rane Policy on Prevention of Sexual Harassment of Women at Work Place cover various aspects of human rights and these policies extends to RML and all Rane Group Companies including its employees and contractors.

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

   During the FY 2021-2022, the Company has received one complaint under the vigil mechanism and the same was resolved. The company had one instance of reporting under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013 which was resolved.

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

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

   The policy 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.

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

   Yes, the Company makes efforts to address global environmental issues such as reducing carbon footprint 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. The strategic initiatives are available in the weblink https://ranegroup.com/rane-madras-ltd-investors/#annual_reports

3. Does the company identify and assess potential environmental risks? Y / N

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

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

   The Company continues to work towards development and implementation of climate change mitigation projects mainly through energy saving projects, water saving, waste reduction & CO_2 reduction under sustainability development. However, it does not have any registration for CDM projects.

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

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

   - Factory construction provides for maximum use of natural lighting and ventilation.
   - Use of energy efficient induction lamps, LEDs in shop floor and office area.
   - Increased mix of renewable power such as Wind and Solar energy.
   - Projects implemented for energy conservation and reduction in consumables in the shop floor.

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 Company's plants are within the permissible limits as prescribed by CPCB / SPCB and compliance reports are submitted on a periodic 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.

There are no pending show cause / legal notices from CPCB / SPCB (i.e. not resolved to satisfaction) as on 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:

   Madras Chamber of Commerce & Industry.

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 with the Company and Rane 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? If Yes, details thereof

   Yes. The Company 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 has established Rane Vidyalaya at Trichy. The school aims to provide a conducive learning environment to children and will develop qualified teachers and staff. For further details, please refer to the annual report on CSR activities forming part of this annual report.

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. For further details, please refer to the annual report on CSR activities forming part of this annual report.

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

   No formal impact assessment was carried out. However, the Company has financially supported the various CSR initiatives of Rane Foundation including establishment of Rane Vidyalaya (School project). The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its ninth academic year. The Institution was accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program in 2017. 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 placed. 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, Trichy, offering 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 the 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 at the end of the financial year?

   The Company has a robust system for addressing customer complaints. The complaints received are analysed, appropriate countermeasure 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)

The Company's products are predominantly supplied to Tier 1 customers as per their requirements. The Company displays product requirements on packaging as per the requirements of OEM 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 financial year. If so, provide details thereof, in about 50 words or so.

   No such case 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 the 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

	Harish Lakshman	Ganesh Lakshminarayan
Chennai	Vice-Chairman	Chairman
May 20, 2022	DIN: 00012602	DIN: 00012583

Annexure - G 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 TRANSACTIONS UNDER THIRD PROVISO 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

Sl. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Mr. Aditya Ganesh, Senior Vice President – Operations & Son of Mr. L Ganesh, Chairman.
2.	Nature of contracts / arrangements / transaction	In employment of the Company, he will be entitled to allowances, benefits, perquisites, contribution to funds, per the policy of the Company as applicable to employees of similar grade, in force from time to time.
3.	Duration of the contracts / arrangements / transaction	Contract of employment: Effective from September 04, 2017. The contract will continue as long as he remains an employee of the Company and shall include any promotion and / or change in designation(s) and corresponding change in terms and conditions of his employment.
4.	Salient terms of the contracts or arrangements or transaction including the value, if any	He heads the operations of the company plants at Mysore and Varanavasi, where he is responsible for planning, directing and coordinating the manufacturing of automotive products. He is responsible for analysing production processes for identification and removal of non-value adding processes, bottlenecks etc. and to track the disparities, if any, between the operating plan and the monthly plan and analyse the cause of gap. In addition, he also drives continuous improvement in safety, quality and cost. The value of transaction is disclosed in Note 35 of financial statements.
5.	Date of approval by the Board	Approval(s) have been obtained in terms of Section 177, 188 & other applicable of the Companies Act, 2013 including rules, as detailed below: • Audit Committee and Board of Directors at their respective meetings held on May 23, 2019. • Members of the Company at the 15th Annual General Meeting held on July 24, 2019.
6.	Amount paid as advances, if any	NIL

For and on behalf of the Board

Chennai
May 20, 2022

Harish Lakshman
Vice-Chairman
DIN: 00012602

Ganesh Lakshminarayan
Chairman
DIN: 00012583

INDEPENDENT AUDITOR'S REPORT

To the Members of Rane (Madras) Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rane (Madras) 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 (hereinafter referred to as "the Standalone financial statements).

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 1.35 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, customer demand, commodity prices, personnel available for work etc.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Investments in subsidiary Refer note 1.29, 6.1 and 33.2 to the standalone financial statements. The Company has an investment in non- convertible redeemable preference shares in its subsidiary amounting to INR 269.72 crores as at March 31, 2022 (gross amount of investment) which is measured at fair value through profit and loss. The Company has recognised a cumulative fair value loss of INR 99.54 crores on this investment as at March 31, 2022 without any material incremental fair value adjustment during the year. The fair values were determined using a discounted cash flow model. Such determination, 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. We have identified the aforesaid matter as a key audit matter since it involves significant judgement in making the above estimates especially in view of significant losses incurred by its step-down subsidiary and the highly uncertain economic environment and hence the actual results may differ from those estimated at the date of approval of these standalone financial statements.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of accounting policy as per relevant accounting standard. • Assessed the design and implementation of key internal financial controls and tested the operating effectiveness of such controls. • Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the fair value of the investment. • Evaluated the objectivity, independence and competence of the valuation specialist engaged by Company. • 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 Company and the industry, observable market data, past performances, consistency with the Board approved plans and inquiries of the auditors of the subsidiary. • Performed procedures in respect of sensitivity analysis of the key assumptions used in the valuation model. • Assessed the adequacy of the disclosures in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the 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, 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 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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting 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 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 40 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 the note 38(iii) to the standalone financial statements, 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 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 the note 38(iv) to the standalone financial statements, 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) The Company has neither declared nor paid any dividend during the year.

(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 No. – 101248 W/W-100022

S Sethuraman
Partner
Membership No. 203491
ICAI UDIN: 22203491AJHIVQ1239

Place: Chennai
Date: May 20, 2022

Annexure A to the Independent Auditors' report

on the Standalone Financial Statements of Rane (Madras) Limited for the year ended March 31, 2022.

(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 programme of physical verification of its property, plant and equipment by which property, plant and equipment are verified in a phased manner over a period of three years. 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties which are freehold are held in the name of the Company. In respect of certain immovable properties of land and buildings whose title deeds have been pledged with banks as security for term loans, our reporting under this clause is based on confirmations received from such banks that the immovable properties are held in the name of the Company. In respect of immovable properties taken on lease and disclosed as Right of Use assets in the standalone financial statements, the lease agreements are 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 the 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 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 inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(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 been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as set out in Appendix I.

(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 made any investments, provided guarantee or security, granted loans or advances in the nature of loans, secured or unsecured to firms, limited liability partnership or any other parties during the year. The Company has not granted any loans or advances in the nature of loans, secured or unsecured to any company during the year. The Company has made investments and provided guarantee to companies during the year in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided guarantee to any other entity during the year as below:

Particulars	Guarantees (In Rs. Crores)
Aggregate amount during the year - Subsidiary	49.60
Balance outstanding as at balance sheet date - Subsidiary	132.51

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided during the year and the terms and conditions of the guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not granted any loans and advances in the nature of loans or security to any party 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, the Company has not given any loans and advances in the nature of loan to any party. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(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 given any loans and advances in the nature of loans to any party. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) 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 given any loans and advances in the nature of loan to any party. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(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 guarantees given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not given any loans and provided any security to any party.

(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 Companies Act, 2013 ("the Act") for the products manufactured by it. Accordingly, paragraph 3 (vi) of the Order is not applicable

(vii) (a) 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 1 July 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 accounts in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

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 Goods and Services Tax ('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.

(b) 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 Service tax, Duty of excise, Sales tax and Value added tax, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute is set out in Appendix II.

(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 borrowing 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, 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 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). 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 private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from issue of equity shares have been used for the purposes for which the funds were raised.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that 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 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) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

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

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, 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 Act 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) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(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 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 Act pursuant to any project. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) 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 Act pursuant to any ongoing project. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No. – 101248 W/W-100022

S Sethuraman
Partner
Membership No. 203491
ICAI UDIN: 22203491AJHIVQ1239

Place: Chennai
Date: May 20, 2022

Appendix I to the Independent Auditors' Report

Reconciliation of information in respect of quarterly returns or statements filed by the Company with banks or financial institutions with the books of accounts:

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
Jun 2021	Kotak Mahindra Bank	Sales	295.10	301.91	(6.81)	Refer Note below
		Trade payables	200.44	154.04	46.40	
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	214.15	223.53	(9.38)	
Sep 2021	Kotak Mahindra Bank	Sales	700.24	716.93	(16.69)	
		Trade payables	229.64	170.51	59.13	
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	270.89	289.10	(18.21)	
Dec 2021	Kotak Mahindra Bank	Sales	1,081.57	1,099.82	(18.25)	
		Trade payables	237.12	177.99	59.13	
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	246.40	248.23	(1.83)	
Mar 2022	Kotak Mahindra Bank	Sales	1,532.18	1545.78	(13.60)	
		Trade payables	231.52	181.07	50.45	
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	313.17	301.64	11.53	

Note: Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission except as at March 31, 2022.

Also refer note 38(x) to the financial statements.

Appendix II to the Independent Auditors' Report

Details of statutory dues which have not been deposited on account of any dispute

Nature of dues	Name of the statute	Forum where the dispute is pending	Period to which the amount relates	Disputed amount (in INR crores)	Amounts unpaid (in INR crores) *
Excise Duty	Central Excise Act, 1945	Customs, Goods & Service tax Appellate Tribunal, Chennai	2012-13	0.75	-
Service Tax	Finance Act, 1994	Customs, Goods & Service tax Appellate Tribunal, Chennai	2007-08 to 2011-12	0.72	-
		Assistant Commissioner, Nizamabad	2011-12	0.07	0.04
Sales tax /VAT	Maharashtra VAT Act, 2002	Maharashtra Sales Tax Appellate Tribunal	2005-06, 2006-07 and 2008-09	1.10	1.08
	Tamil Nadu Value Added Tax Act, 2006	Assistant Commissioner, Alandur, Tamil Nadu	2011-12 to 2015-16	0.28	-
	Tamil Nadu Value Added Tax Act, 2006	Assistant Commissioner, Alandur, Tamil Nadu	2014-15	0.34	0.34
	Tamil Nadu Value Added Tax Act, 2006 (CST)	Assistant Commissioner, Alandur, Tamil Nadu	2014-15 and 15-16	0.18	-
	Tamil Nadu Value Added Tax Act, 2006 (CST)	Deputy Commissioner (Appeals), Tamil Nadu	2016-17 and 2017-18	1.76	1.76
	Karnataka Value Added Tax Act, 2003	Commissioner of Sales Tax (Appeals), Mysore	2013-14 to 2016-17	0.46	-
	Puducherry Value Added Tax Act, 2007	Commissioner of Sales Tax (Appeals), Pondicherry	2010-11	0.07	0.03
	Uttarakhand Value Added Tax Act, 2005	Joint Commissioner of Sales Tax (Appeals), Uttranchal	2011-12	0.61	0.60
	Haryana Value Added Tax Act, 2003	Commissioner of Sales Tax (Appeals)- Gurgaon	2014-15	0.01	0.01
	Telangana Value Added Tax Act, 2005	Telangana High Court	2012-13	1.40	1.40
	Telangana Entry of Goods into Local Areas Act, 2001	AP & Telangana High Court	2011-12 to 2017-18	1.07	0.80
	Telangana Value Added Tax Act, 2005	Commissioner (Appeals)	2012-13 to 2015-16	0.07	0.07
Income tax	Income Tax Act, 1961	Commissioner of Income Tax (Appeals)	2008-09	7.52	5.52
		Commissioner of Income Tax (Appeals)	2009-10	0.19	-
		Commissioner of Income Tax (Appeals)	2010-11	1.91	0.67
		Commissioner of Income Tax (Appeals)	2012-13	2.39	1.82
		Commissioner of Income Tax (Appeals)	2013-14	0.13	0.13
		Commissioner of Income Tax (Appeals)	2016-17	3.14	3.14
		Commissioner of Income Tax (Appeals)	2018-19	2.78	2.78

* Net of amount paid under protest.

Annexure B to the Independent Auditors' report

on the standalone financial statements of Rane (Madras) 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 (Madras) 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 Number : 101248 W/W-100022

S Sethuraman
Partner
Membership No. 203491
ICAI UDIN: 22203491AJHIVQ1239

Place: Chennai
Date: May 20, 2022

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2022

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

S. No	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A.	**ASSETS**			
	Non-current assets			
	(a) Property, plant and equipment	2	353.22	305.22
	(b) Capital work-in-progress	2	16.24	15.27
	(c) Right of use assets	3	5.85	6.62
	(d) Goodwill	4	4.63	4.06
	(e) Other intangible assets	5	4.18	0.28
	(f) Financial assets			
	(i) Investments	6	173.66	107.45
	(ii) Other financial assets	8	37.69	51.29
	(g) Income tax assets (Net)	9	16.46	16.62
	(h) Other non-current assets	10	15.50	23.26
	Total non-current assets		627.43	530.07
	Current assets			
	(a) Inventories	11	190.81	132.48
	(b) Financial assets			
	(i) Trade receivables	12	313.17	242.22
	(ii) Cash and cash equivalents	13	8.00	6.52
	(iii) Bank balances other than (ii) above	14	0.13	0.15
	(iv) Loans	7	0.54	0.22
	(v) Other financial assets	8	8.09	6.97
	(c) Other current assets	10	45.72	27.40
	Total current assets		566.46	415.96
	TOTAL ASSETS		1,193.89	946.03
B.	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity share capital	15	16.27	14.57
	(b) Other equity	16	358.66	293.70
	Total Equity		374.93	308.27
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17A	151.95	89.26
	(ii) Lease liabilities	39	5.67	6.04
	(b) Provisions	18	7.01	5.89
	(c) Deferred tax liability (Net)	21	1.93	1.77
	(d) Other non-current liabilities	19	13.19	10.99
	Total non-current liabilities		179.75	113.95
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17B	294.56	216.57
	(ii) Lease liabilities	39	0.63	0.65
	(iii) Trade payables	22		
	(a) Total outstanding dues of micro enterprises and small enterprises		2.18	4.81
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		289.51	257.90
	(iv) Other financial liabilities	20	37.90	25.20
	(b) Other current liabilities	19	9.36	8.12
	(c) Provisions	18	5.07	10.56
	Total current liabilities		639.21	523.81
	TOTAL LIABILITIES		818.96	637.76
	TOTAL EQUITY AND LIABILITIES		1,193.89	946.03

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

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

S.No	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenues from operations	23	1,555.00	1,147.15
II	Other income	24	6.79	3.90
III	**Total income (I+II)**		**1,561.79**	**1,151.05**
IV	**Expenses:**			
	Cost of materials consumed	25	1,049.56	728.48
	Changes in inventories of finished goods and work-in-progress	26	(43.17)	4.24
	Employee benefits expense	27	166.92	133.99
	Finance costs	28	21.05	23.46
	Depreciation and amortisation expense	29	61.11	52.30
	Other expenses	30	254.85	191.12
	Total expenses (IV)		**1,510.32**	**1,133.59**
V	**Profit/(Loss) before before exceptional items and tax (III-IV)**		**51.47**	**17.46**
VI	**Exceptional items**	6.1	-	**62.50**
VII	**Profit/(Loss) before tax (V-VI)**		**51.47**	**(45.04)**
VIII	**Tax expense:**			
	(1) Current tax	31	14.71	7.16
	(2) Deferred tax	31	0.15	(1.51)
			14.86	**5.65**
IX	**Profit/(Loss) for the year (VII-VIII)**		**36.61**	**(50.69)**
	Other comprehensive income			
	A. Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit plans		0.05	0.32
	Income tax relating to items that will not be reclassified to statement of profit and loss		(0.01)	(0.08)
			0.04	0.24
	B. Items that will be reclassified to statement of profit and loss			
	Effective portion of gains and loss on hedging instruments in a cash flow hedge		-	4.29
	Income tax relating to items that will be reclassified to statement of profit and loss		-	(1.50)
			-	2.79
X	**Total other comprehensive income/(loss) (A+B)**		**0.04**	**3.03**
XI	**Total comprehensive income/(loss) for the year (IX+X)**		**36.65**	**(47.66)**
XII	**Earnings per equity share (Nominal value per share ₹10)**			
	(a) Basic (In ₹)	37	23.94	(39.51)
	(b) Diluted (In ₹)	37	23.94	(39.51)

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2022

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

A. Equity share capital

Description	Amount
As at April 1, 2020	**12.55**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2020	12.55
Changes in equity share capital during the year	2.02
As at March 31, 2021	**14.57**
As at April 1, 2021	**14.57**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2021	14.57
Changes in equity share capital during the year	1.70
As at March 31, 2022	**16.27**

B. Other equity

Description	Reserve and Surplus						Items of OCI		Money Received against share warrants	Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Total reserves and surplus	Effective portion of cash flow hedges	Total items of OCI		
Balance as at April 1, 2020	185.89	98.20	12.73	(0.20)	(13.78)	282.84	(2.79)	(2.79)	8.33	288.38
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	185.89	98.20	12.73	(0.20)	(13.78)	282.84	(2.79)	(2.79)	8.33	288.38
Profit/(Loss) for the year	-	-	-	-	(50.69)	(50.69)		-	-	(50.69)
Other comprehensive income/(loss) for the year	-	-	-	-	0.32	0.32	4.29	4.29	-	4.61
Income tax on OCI Items	-	-	-	-	(0.08)	(0.08)	(1.50)	(1.50)	-	(1.58)
Contribution by and distribution to owners										
Money received against share warrants	-	-	-	-	-	-	-	-	1.67	1.67
Premium on preferential issue of equity shares	-	51.31	-	-	-	51.31	-	-	-	51.31
Balance as at March 31, 2021	185.89	149.51	12.73	(0.20)	(64.23)	283.70	-	-	10.00	293.70
Balance as at April 1, 2021	185.89	149.51	12.73	(0.20)	(64.23)	283.70	-	-	10.00	293.70
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2021	185.89	149.51	12.73	(0.20)	(64.23)	283.70	-	-	10.00	293.70
Profit/(Loss) for the year	-	-	-	-	36.61	36.61	-	-	-	36.61
Other comprehensive income/(loss) for the year	-	-	-	-	0.05	0.05	-	-	-	0.05
Income tax on OCI Items	-	-	-	-	(0.01)	(0.01)	-	-	-	(0.01)
Contribution by and distribution to owners										
Money received against share warrants	-	-	-	-	-	-	-	-	(10.00)	(10.00)
Premium on preferential issue of equity shares	-	38.31	-	-	-	38.31	-	-	-	38.31
Balance as at March 31, 2022	185.89	187.82	12.73	(0.20)	(27.58)	358.66	-	-	-	358.66

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

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

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A.	Cash flow from operating activities		
	Profit/(Loss) for the year	36.61	(50.69)
	Adjustments for :		
	Income tax expense	14.86	5.65
	Finance costs	21.05	23.46
	Interest income	(0.45)	(1.47)
	Net gain on disposal of property, plant and equipment	(0.17)	(0.11)
	Government grant income	(2.19)	(1.68)
	Guarantee commission	(0.07)	(0.22)
	Unrealised exchange loss/(gain)	3.62	(0.14)
	Provision for doubtful trade receivables and advances (net of write back)	1.19	1.54
	Depreciation and amortisation of non-current assets	61.11	52.30
	Fair value change on investments recognised at FVTPL	-	62.50
		135.56	**91.14**
	Movements in working capital :		
	(Increase) / decrease in trade receivables	(69.87)	(80.48)
	(Increase) / decrease in inventories	(55.39)	0.96
	(Increase) / decrease in other non current financial assets	12.44	(5.98)
	(Increase) / decrease in other current financial assets	0.43	(0.72)
	(Increase) / decrease in other current / non current assets	(15.79)	(16.46)
	(Increase) / decrease in loans receivable	(0.32)	0.01
	Increase / (decrease) in trade payables	26.66	108.40
	Increase / (decrease) in long term provisions	1.12	(0.20)
	Increase / (decrease) in short term provisions	(5.56)	(5.98)
	Increase / (decrease) in other current / non current financial liabilities	11.13	14.46
	Increase / (decrease) in other non current liabilities	1.45	7.93
	Increase / (decrease) in other current liabilities	2.13	3.44
	Cash generated from operations	**43.99**	**116.52**
	Income tax paid	(14.55)	(9.32)
	Net cash (used in) / generated by operating activities	**29.44**	**107.20**
B.	Cash flow from investing activities		
	Interest received	0.41	5.95
	Investments in unquoted equity shares	(0.86)	-
	Investments in NCRPS of subsidiaries	(71.28)	(89.25)
	Proceeds from repayment of loans given	-	33.82
	Purchase consideration for acquisition of business (Refer Note 45)	(23.19)	-
	Payments for property, plant and equipment	(81.81)	(46.22)
	Proceeds from disposal of property, plant and equipment	0.29	0.18
	Bank Balances not considered as cash and cash equivalents	0.02	0.03
	Net cash (used in) / generated by investing activities	**(176.42)**	**(95.49)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2022

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

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C.	Cash flow from financing activities		
	Proceeds from issue of equity shares	1.70	2.02
	Proceeds from share premium on equity shares	28.30	51.31
	Money received against share warrants	-	1.67
	Proceeds from long term borrowings	124.98	23.64
	Repayment of long term borrowings	(47.42)	(89.13)
	Proceeds from short term borrowings	1,058.54	286.31
	Repayment of short term borrowings	(995.07)	(274.74)
	Interest paid	(21.13)	(23.45)
	Payment of lease liabilities	(1.10)	(1.09)
	Net cash (used in)/ generated by financing activities	**148.80**	**(23.46)**
	Net increase / (decrease) in cash and cash equivalents	**1.82**	**(11.75)**
	Cash and cash equivalents at the beginning of the year (Refer note 13)	4.72	16.47
	Cash and Cash equivalents at the end of the year (Refer note 13)	**6.54**	**4.72**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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

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

General Information

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

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

Significant Accounting Policies

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

1.1 Statement of Compliance

The Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. The Company has consistently applied accounting policies to all periods.

1.11 Basis of preparation and presentation

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

Items	Measurement basis
Certain financial assets and liabilities (including forward contracts)	Fair value
Investments	Fair value
Defined benefit liability / plan assets	Present value of defined benefit obligation / plan assets

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.

The principal accounting policies are set out below :

1.12 Property, plant and equipment

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Property, plant and equipment are subsequently measurd at cost less depreciation and impairment loss.

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 April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

II of the Companies Act, 2013, using the straight-line method or based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Management estimate of useful Life (in years)	Useful life as per Schedule II (in years)
Buildings (Other than factory buildings)	60 years	60 Years
Factory building	30 years	30 years
Plant and equipment	3 - 15 years	15 years
Vehicles	5 Years	6 years
Furniture & Fixtures	5 Years	10 years
Office Equipment (other than computers)	3 Years	5 years
Computers, Server and networks	3-6 Years	3-6 years

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

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

1.13 Intangible assets

Goodwill

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

Other Intangible assets

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Customer Contracts	4 years

1.14 Impairment of tangible and intangible assets including goodwill

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into Cash-Generating Units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.15 Borrowings and Borrowing costs

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

Borrowing costs 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 acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

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.

1.16 Leases

The Company's lease asset classes primarily consist of leases for land, buildings 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 in the country of domicile of these leases. 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.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

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

1.17 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.

1.18 Cash and cash equivalents

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

1.19 Cash Flow Statement

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

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for qualifying cash flow hedges to the extent that the hedges are effective.

1.21 Revenue Recognition

The Company derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic products, Die casting products & other auto components. 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 Company expects to receive in exchange for those products or services. Revenue is reduced for estimated discounts and other similar allowances.

Revenue from services are recognised when the performance obligations that are satisfied over a period of time.

1.22 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.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

1.23 Government grants

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

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

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

1.24 Employee benefits

(i) Short - Term employee benefits

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

(ii) Defined Contribution Plans

Provident Fund

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

(iii) Defined Benefit Plan

Gratuity

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

(iv) Other Long term employee benefits

Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. 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.

1.25 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 loss.

1.26 Research and Development expenses

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

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

intangible asset is recognized as an expense when it is incurred.

Items of property, plant and equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

1.27 Provisions and Contingent Liabilities

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

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

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

Provisions for Warranty

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

1.28 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the standalone financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences except for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries to the extent that the Company 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.

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

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

1.29 Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- fair value through other comprehensive income (FVOCI); or
- FVTPL

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.

On initial recognition of an equity investment that is not held for trading, the Company has irrevocably elected 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 has irrevocably designated 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,

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

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.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

When a derivative is designated as a cash flow hedging instrument, the effective portion of

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

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 and debt securities at FVOCI 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 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, which are measured as 12 month expected credit losses.

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).

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.

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.

Financial and Corporate guarantee contracts

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

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

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

1.30 Fair Value

A number of the Company's accounting policies and disclosures require 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.

1.31 Earnings Per Share

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

Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

1.32 Business Combination:

In accordance with Ind AS 103, the Company accounts for business combinations using the acquisition method when control is transferred to the Company. 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 recognised 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 recognised 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.

1.33 Dividend

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

1.34 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Company 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.

1.35 Use of estimates and critical accounting judgements

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

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

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

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

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

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

Actual results may differ from these judgments and estimates.

Assumptions and estimation uncertainties

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

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

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 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, 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.

1.36 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

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 16 – Proceeds before intended use

For items produced during testing / trial phase, clarification added that revenue generated out of the same shall not be recognised in Statement of profit and loss and considered as part of cost of Property, plant and equipment.

The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

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

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

(examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and 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

as at and for the year ended March 31, 2022

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

2 Property, plant and equipment and capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Freehold land	26.07	26.07
Buildings	76.01	74.64
Plant and equipment	247.68	201.38
Furniture and Fixtures	1.05	0.81
Office Equipments	2.15	2.12
Vehicles	0.26	0.20
Sub Total	353.22	305.22
Capital Work-in-progress	16.24	15.27
Total	369.46	320.49

Gross Block

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 1, 2020	26.07	90.26	390.03	3.85	11.24	0.74	522.19
Additions	-	1.07	28.85	0.15	0.58	-	30.65
Disposals	-	-	(0.20)	-	-	-	(0.20)
Balance as at March 31, 2021	26.07	91.33	418.68	4.00	11.82	0.74	552.64
Acquisition through business combination (Refer Note 45)	-	-	16.34	0.14	0.17	0.12	16.77
Additions	-	5.24	83.52	0.44	1.49	0.05	90.74
Disposals			(1.01)				(1.01)
Balance as at March 31, 2022	26.07	96.57	517.53	4.58	13.48	0.91	659.14

Accumulated depreciation

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 1, 2020	-	13.03	172.80	2.62	7.72	0.45	196.62
Disposals	-	-	(0.14)	-	-	-	(0.14)
Depreciation expense	-	3.66	44.64	0.57	1.98	0.09	50.94
Balance as at March 31, 2021	-	16.69	217.30	3.19	9.70	0.54	247.42
Disposals			(0.99)				(0.99)
Depreciation expense		3.87	53.54	0.34	1.63	0.11	59.49
Balance as at March 31, 2022	-	20.56	269.85	3.53	11.33	0.65	305.92
Carrying amount as at March 31, 2021	26.07	74.64	201.38	0.81	2.12	0.20	305.22
Carrying amount as at March 31, 2022	26.07	76.01	247.68	1.05	2.15	0.26	353.22

Note

1) Refer note 17 for assets pledged as securities for borrowings

2) Refer note 40A for capital commitments

3) All the title deeds of immovable properties are held in the name of the Company.

Movement in capital work in progress is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	15.27	10.15
Additions / (Capitalisations)	0.97	5.12
As at the end of the year	16.24	15.27

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Ageing details:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	15.56	0.04	0.64	-	16.24
Projects temporarily suspended	-	-	-	-	-
Total	15.56	0.04	0.64	-	16.24
As at March 31, 2021					
Projects in progress	14.61	0.66	-	-	15.27
Projects temporarily suspended	-	-	-	-	-
Total	14.61	0.66	-	-	15.27

The Company 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	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress					
Capacity enhancement project	5.55	-	-	-	5.55
Others	0.55	-	-	-	0.55
Projects temporarily suspended	-	-	-	-	-
Total	6.10	-	-	-	6.10
As at March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

3 Right of use assets

Particulars	As at March 31, 2021	As at March 31, 2020
Carrying amounts of:		
Right of use assets	5.85	6.62
Total	5.85	6.62

Particulars	Land	Buildings	Vehicles	Others	Total
Cost					
Balance as at April 1, 2020	2.20	0.88	1.29	0.18	4.55
Additions	3.16	0.96	-	-	4.12
Disposals	-	-	(0.41)	-	(0.41)
Balance as at March 31, 2021	5.36	1.84	0.88	0.18	8.26
Additions	-	0.14	-	-	0.14
Disposals	-	(0.69)	-	-	(0.69)
Balance as at March 31, 2022	5.36	1.29	0.88	0.18	7.71
Accumulated depreciation					
Balance as at April 1, 2020	0.09	0.40	0.34	0.04	0.87
Depreciation expense	0.20	0.43	0.33	0.02	0.98
Disposals	-	-	(0.21)	-	(0.21)
Balance as at March 31, 2021	0.29	0.83	0.46	0.06	1.64
Depreciation expense	0.20	0.53	0.16	0.02	0.91
Disposals	-	(0.69)	-	-	(0.69)
Balance as at March 31, 2022	0.49	0.67	0.62	0.08	1.86
Carrying amount as at March 31, 2021	5.07	1.01	0.42	0.12	6.62
Carrying amount as at March 31, 2022	4.87	0.62	0.26	0.10	5.85

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

4 Goodwill

Particulars	As at March 31, 2022	As at March 31, 2021
Cost	4.63	4.06
Accumulated impairment losses	-	-
Total	4.63	4.06

Particulars	Goodwill
Cost	
Balance as at April 1, 2020	4.06
Additions	-
Disposals	-
Balance as at March 31, 2021	4.06
Acquisition through business combination (Refer Note 45)	0.57
Additions	-
Disposals	-
Balance as at March 31, 2022	4.63
Accumulated amortisation	
Balance as at April 1, 2020	-
Amortisation expense	-
Disposals	-
Balance as at March 31, 2021	-
Amortisation expense	-
Disposals	-
Balance as at March 31, 2022	-
Carrying amount as at March 31, 2021	4.06
Carrying amount as at March 31, 2022	4.63

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units - Light Metal Castings India and Steering components business.

The Company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a Cash Generating Unit (CGU)-Light Metal Castings India is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets for a five year period approved by management.

Key assumptions used for value-in-use calculations

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use is based on the following key assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	9.77%	12.77%
Terminal value growth rate	3.00%	3.00%
Budgeted revenue growth rate	20.94%	20.72%

The discount rate is a pre-tax measure based on the rate of 10 year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

Five years of cash flows have been included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the growth rate estimated by management.

Based on the assessment, management has concluded that there is no impairment for Goodwill. Further, application of sensitivities over the above assumptions would not result in an impairment loss as at the year end.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

5 Other intangible assets

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Software Licence	0.89	0.28
Customer Contract	3.29	-
Total	4.18	**0.28**

Particulars	Software Licence	Customer Contract
Cost		
Balance as at April 1, 2020	3.74	-
Additions	0.07	-
Disposals	-	-
Balance as at March 31, 2021	3.81	-
Acquisition through business combination (Refer Note 45)	0.02	3.67
Additions	0.92	-
Disposals	-	-
Balance as at March 31, 2022	4.75	3.67
Accumulated amortisation		
Balance as at April 1, 2020	3.15	-
Amortisation expense	0.38	-
Disposals	-	-
Balance as at March 31, 2021	3.53	-
Amortisation expense	0.33	0.38
Disposals	-	-
Balance as at March 31, 2022	3.86	0.38
Carrying amount as at March 31, 2021	0.28	-
Carrying amount as at March 31, 2022	0.89	3.29

6 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid-up) (Unquoted) At cost		
Investment In Subsidiaries		
Rane (Madras) International Holdings, B.V	0.15	0.15
(20,000 (March 31, 2021: 20,000) number of equity shares @ Euro 1 each)		
Sub total	0.15	**0.15**
Investments at FVTPL		
Investment In Subsidiaries		
(3,19,17,000 (March 31, 2021: 2,38,04,000) number of NCRPS @ Euro 1 each) in Rane (Madras) International Holdings, B.V	269.72	204.91
Less: Fair value change on investments recognised at FVTPL (Refer Note 6.1)	(99.54)	(100.08)
Sub total	170.18	**104.83**
Fair value of financial guarantee given to subsidiaries		
Other investments		
Capsol Energy Private Limited	0.60	0.60
(6,00,000 (March 31, 2021: 6,00,000) number of equity shares @ ₹ 10 each)		
Shree MTK Textiles Private limited		
(2700 (March 31,2021: Nil) number of equity shares @ ₹ 100 each)	0.86	-
Total Non-Current Investments	173.66	**107.45**
Aggregate carrying value of unquoted investments	273.20	207.53
Aggregate amount of impairment / Fair value change on investments recognised at FVTPL	99.54	100.08

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

6.1 During the previous year ended March 31, 2021, the Company had assessed the carrying value of its investment in a subsidiary and considered the fair value changes thereto resulting in a reduction to the carrying value aggregating to INR 62.50 crores being shown as an exceptional item for the year then ended. The Management has assessed the fair value change as at March 31, 2022 and has determined that the fair value change for the current year is not material. 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. Refer Note 33.2 for the details of key assumptions and sensitivities surrounding those assumptions.

7 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Loans receivable considered good - Unsecured		
- Loans to employees	0.54	0.22
Total	**0.54**	**0.22**

The Company's exposure to credit risk and market risk are disclosed in note 33.

8 Other financial assets

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Security Deposits	5.45	5.29	1.17	-
Insurance Claims	-	9.01	-	-
Claims receivable	-	-	1.42	0.58
Margin money Deposits (Refer note below)	-	-	0.11	0.12
Interest receivable	-	-	1.32	0.48
Tooling related receivables	32.24	36.99	-	-
Commission receivable (Refer note 35)	-	-	0.96	-
Derivative assets	-	-	2.56	0.45
Export Entitlement receivable	-	-	0.55	5.34
Total	**37.69**	**51.29**	**8.09**	**6.97**

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

The Company's exposure to credit risk and market risk are disclosed in note 33.

9 Income Tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	16.62	14.46
Less: Current tax payable for the year	(14.71)	(7.16)
Add: Taxes paid	14.55	9.32
Closing Balance	**16.46**	**16.62**

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

10 Other assets

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good unless otherwise stated:				
Capital advances	4.60	11.42	-	-
Advances paid to suppliers	-	-	12.69	10.86
Advance to employees	-	-	0.13	0.12
Balance with statutory authorities	-	-	20.57	11.21
Deposit with government authorities	6.40	8.46	-	-
Assets relating to employee benefits(Gratuity) (Refer Note 36)	-	-	0.15	-
Export entitlement receivable	-	-	4.65	-
Prepaid expenses	4.50	3.38	7.53	5.21
Total	**15.50**	**23.26**	**45.72**	**27.40**

11 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(At lower of cost and net realisable value)		
Raw materials	47.84	38.21
Work-in-progress	20.98	16.18
Finished goods	90.42	45.97
Stores and spares	24.54	19.01
Goods in transit (Finished Goods)	7.03	13.11
Total	**190.81**	**132.48**

The Company has written back Provision for inventory of INR 3.29 Crores (March 31, 2021 Provided for INR 2.37 crores) for the year ended March 31, 2022.

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

For the carrying value of inventories pledged as securities for borrowings, refer note 17.

12 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
From Related parties		
Trade receivables considered good - unsecured	2.29	2.48
Trade receivable - credit impaired	-	-
Sub Total	**2.29**	**2.48**
From Others		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	314.92	242.59
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Sub Total	**314.92**	**242.59**
Less: Loss allowance (expected credit loss allowance)	(4.04)	(2.85)
Total	**313.17**	**242.22**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on :

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

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.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	2.85	1.31
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.19	1.54
Bad debts written off/written back	-	-
Balance at the end of the year	4.04	2.85

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
(i) Considered good	279.26	27.28	0.64	0.32	0.61	-	308.11
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	9.10
Total	279.26	27.28	0.64	0.32	0.61	-	317.21

As at March 31, 2021

Particulars	Outstanding for following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
(i) Considered good	209.63	25.03	0.79	0.35	0.33	0.36	236.49
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	8.58
Total	209.63	25.03	0.79	0.35	0.33	0.36	245.07

Ageing has been determined based on due date of payment. Where there is no due date for payment, date of transaction has been considered.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

13 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks (including deposits with original maturity upto 3 months)		
In Current account	6.14	4.34
In EEFC account	1.84	1.99
Cash on hand	0.02	0.19
Total	**8.00**	**6.52**

The Company's exposure to credit risk and market risk are disclosed in note 33.

Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents as above	8.00	6.52
Add: Exchange loss/(Gain) on EEFC account	-	-
Bank overdraft availed for cash management purposes	(1.46)	(1.80)
Total	**6.54**	**4.72**

14 Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in earmarked accounts		
In Unpaid Dividend account	0.13	0.15
Total	**0.13**	**0.15**

15 Equity share capital

Particulars	As at March 31, 2022	As at March 31, 2021
AUTHORISED :		
Equity Shares:		
2,50,00,000 (March 31, 2021: 2,50,00,000) equity shares of ₹10 each	25.00	25.00
Preference shares:		
1,05,00,000 (March 31, 2021: 1,05,00,000) preference shares of ₹10 each	10.50	10.50
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,62,65,267 (March 31, 2021: 1,45,65,309) equity shares of ₹10 each fully paid-up	16.27	14.57
1,62,65,267 fully paid equity shares of ₹10 each (as at March 31, 2021 : 1,45,65,309 fully paid equity shares of ₹10 each)	**16.27**	**14.57**

15.1 Movement in equity share capital

Particulars	2021-22		2020-21	
	No. of Shares	Amount (₹)	No. of Shares	Amount (₹)
Equity Shares of ₹10 each fully paid up				
At the beginning of the year	1,45,65,309	14.57	1,25,53,891	12.55
Allotment of shares under preferential issue	16,99,958	1.70	20,11,418	2.01
At the end of the year	**1,62,65,267**	**16.27**	**1,45,65,309**	**14.57**

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Rights, preferences and restrictions attached to Shares mentioned above :

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

Additions during the year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

15.2 Shares of the Company held by holding company

Name of the Share holder	No. of shares held as at			
	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Rane Holdings Limited	1,16,72,774	71.77%	99,72,816	68.47%

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

Name of the Share holder	No. of shares held as at			
	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Rane Holdings Limited	1,16,72,774	71.77%	99,72,816	68.47%

15.4 Information regarding issue of shares in the last five years

(a) The Company has not issued any shares without payment being received in cash.
(b) The Company has not issued any bonus shares.
(c) The Company has not undertaken any buy-back of shares.

15.5 Shares held by promoters at the end of the year

Promoter Name	March 31, 2022		March 31, 2021		Change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares
Rane Holdings Limited	1,16,72,774	71.77%	99,72,816	68.47%	16,99,958	3.30%
Shanthi Narayan	24,775	0.15%	24,775	0.17%	-	(0.02)%
Raman T G G	28,000	0.17%	28,000	0.19%	-	(0.02)%
Rathika R Sundaresan	20,000	0.12%	20,000	0.14%	-	(0.01%
Chitra Sundaresan	12,604	0.08%	12,604	0.09%	-	-0.01%
Geetha Raman Subramanyam	12,000	0.07%	12,000	0.08%	-	-0.01%
Ranjini R Iyer	12,000	0.07%	12,000	0.08%	-	-0.01%
Aditya Ganesh	8,483	0.05%	8,483	0.06%	-	-0.01%
Aparna Ganesh	7,851	0.05%	7,851	0.05%	-	-0.01%
Vanaja Aghoram	5,010	0.03%	5,010	0.03%	-	0.00%
Malavika Lakshman	4,866	0.03%	4,866	0.03%	-	0.00%
Rama R Krishnan	4,193	0.03%	4,193	0.03%	-	0.00%
Rekha Sundar	1,060	0.01%	1,060	0.01%	-	0.00%
Meenakshi Ganesh (jointly with L Ganesh)	839	0.01%	839	0.01%	-	0.00%
Harish Lakshman	750	0.00%	750	0.00%	-	0.00%
Vinay Lakshman	750	0.00%	750	0.00%	-	0.00%
Total promoter shareholding	**1,18,15,955**	**72.64%**	**1,01,15,997**	**69.46%**	**16,99,958**	**3.19%**

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

16 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	185.89	185.89
Securities Premium	187.82	149.51
Amalgamation adjustment account	(0.20)	(0.20)
Capital redemption reserve	12.73	12.73
Money Received against Share warrant	-	10.00
Retained Earnings	(27.58)	(64.23)
Cash flow hedging reserve	-	-
Total	**358.66**	**293.70**

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve		
Opening balance	185.89	185.89
Add :Addition during the year	-	-
Closing balance	**185.89**	**185.89**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium		
Opening balance	149.51	98.20
Add :Addition during the year	38.31	51.31
Closing balance	**187.82**	**149.51**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013 (the "Companies Act").

Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

Particulars	As at March 31, 2022	As at March 31, 2021
Amalgamation Adjustment account		
Opening balance	(0.20)	(0.20)
Add :Addition during the year	-	-
Closing balance	**(0.20)**	**(0.20)**

At the time of business combination under common control, amalgamation adjustment reserve of transferor Company becomes the amalgamation adjustment reserve of transferee Company. The Company established this reserve at the time of busniess combinations made in the earlier years.

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Redemption Reserve		
Opening balance	12.73	12.73
Add :Addition during the year	-	-
Closing balance	**12.73**	**12.73**

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

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

Particulars	As at March 31, 2022	As at March 31, 2021
Money Received against Share warrant		
Opening balance	10.00	8.33
Add :Additions/(Deletions) during the year	(10.00)	1.67
Closing balance	-	**10.00**

Amounts received against share warrants that are pending to be allotted as at the balance sheet date are disclosed as 'Money received against share warrants.'

The closing balance represents monies received from Rane Holdings Limited (Holding company) on account of Preferential issue of share warrants that were allotted. The terms of share warrants are such that the 25% of purchase price is to be paid upfront on warrant issue and allotment and the balance 75% is to be paid at the time of conversion of shares warrants to equity shares. These warrants are convertible into equity shares of the Company within a period of 18 months from the date of allotment of warrant.

During the year ended March 31, 2022, the Company has received ₹30 crores from Rane Holdings Limited as warrant exercise price towards conversion of the outstanding 16,99,958 warrants issued on preferential basis and has allotted equivalent equity shares of ₹10 each fully paid up on August 12, 2021 to the extent of 8,49,979 shares and on January 11, 2022 to the extent of 8,49,979 shares. Consequently, the issued and paid up capital stands increased by 16,99,958 equity shares of ₹10/- each fully paid-up.

The details of the movement in money received against share warrants during the current year is set out below:

Particulars	No. of warrants	Amount in INR crores
Opening balance	16,99,958	**10.00**
Changes in share warrants during the year 2021-22		
Warrant money received towards exercise of warrants issued during FY 2021-22	16,99,958	30.00
Less: Transfer to share capital and premium upon warrant conversion during FY 2021-22 in respect of warrants issued during FY 2020-21	-	(40.00)
Closing balance	-	-

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
Balance at the beginning of the year	(64.23)	(13.78)
Profit/(Loss) attributable to equity shareholders of the company	36.61	(50.69)
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation net of income tax	0.04	0.24
Transfer to Capital Redemption reserve	-	-
Transfer to General Reserve	-	-
Payment of dividend on equity shares	-	-
Balance at the end of the year	(27.58)	**(64.23)**

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

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 INR 2.99 crores as at March 31, 2022 (March 31, 2021: INR 3.03 crores)

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

The board has not declared dividend for the year ended March 31, 2022 and March 31, 2021.

Particulars	As at March 31, 2022	As at March 31, 2021
Hedging Reserve		
Balance at the beginning of the year	-	(2.79)
Gain / (loss) recognised on cash flow hedges	-	4.29
Income tax relating to gain/loss recognised on cash flow hedges	-	(1.50)
Balance at the end of the year	-	-

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.

As at March 31, 2022 and March 31, 2021 , the Company does not have any foreign currency forward contracts which are designated as hedge instruments and hence all gains and losses in respect of such contracts have been recorded in the statement of profit and loss.

17A Non-current borrowings

Particulars	Non-Current		Current Maturities (Refer Note 17B)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured - at amortised cost				
Term Loans				
- from banks	45.33	9.58	16.00	0.42
Sub Total	**45.33**	**9.58**	**16.00**	**0.42**
Secured - at amortised cost				
Term Loans				
- from banks	106.62	79.68	42.83	43.54
Sub Total	**106.62**	**79.68**	**42.83**	**43.54**
Total	**151.95**	**89.26**	**58.83**	**43.96**

Summary of borrowing arrangements

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).

The terms of repayment of term loans are given below

As at March 31, 2022

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	0.92	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	5.82	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	8.98	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	39.00	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	30.98	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	63.75	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
Total	149.45	

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Unsecured

Particulars	Balance	Terms of repayment
Axis Bank - INR Long Term Loan	61.33	Repayable in 48 equal monthly Instalments commencing from February 2022 with 1 year of moratorium period

The interest rate for INR loans range from 6.03% p.a to 6.50% p.a

As at March 31, 2021

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	2.64	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	5.05	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	5.32	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	12.49	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	12.72	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	85.00	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
Total	123.22	
Unsecured		
Axis Bank - INR Long Term Loan	10.00	Repayable in 48 equal monthly Instalments commencing from March 2022 with 1 year of moratorium period

The interest rate for INR loans range from 5.80% p.a to 6.25% p.a

The Company had availed the moratorium announced by RBI vide notification dated March 27, 2020 and May 23, 2020 as part of COVID-19 regulatory package consequent to which Term Loan principal repayment from April 2020 to August 2020 had been rescheduled.

Breach of covenants relating to loan arrangements

There is no breach of covenants relating to loan arrangement with banks.

17B Current borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - at amortised cost		
Loans from banks	54.56	28.81
Secured - at amortised cost*		
Loans from banks	181.17	143.80
Current maturities of long term borrowings	58.83	43.96
Total	**294.56**	**216.57**

*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 Standalone financial statements
as at and for the year ended March 31, 2022

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

17C Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Short-term borrowings	Long-term borrowings (including current maturities)	Lease liabilities
Balance as at April 1, 2020	158.95	198.71	3.92
Changes from financing cash flows			
Proceeds from long term borrowings	-	23.64	-
Repayment of long term borrowings	-	(89.13)	-
Proceeds from short term borrowings	286.31	-	-
Repayment of short term borrowings	(274.74)	-	-
Payment of lease liabilities	-	-	(1.09)
Other changes			
New leases	-	-	3.49
Others	2.64	-	(0.19)
Interest expense	22.90	-	0.56
Interest paid	(23.45)	-	-
Balance as at March 31, 2021	**172.61**	**133.22**	**6.69**
Changes from financing cash flows			
Proceeds from long term borrowings	-	124.98	-
Repayment of long term borrowings	-	(47.42)	-
Proceeds from short term borrowings	1,058.54	-	-
Repayment of short term borrowings	(995.07)	-	-
Payment of lease liabilities	-	-	(1.10)
Other changes			
New leases	-	-	0.13
Others	0.31	-	-
Interest expense	20.47	-	0.58
Interest paid	(21.13)	-	-
Balance as at March 31, 2022	**235.73**	**210.78**	**6.30**

18 Provisions

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for leave encashment	7.01	5.89	0.72	0.91
Provision for Gratuity (Refer note 36)	-	-	-	1.03
Provision for Warranty	-	-	4.35	8.62
Total	**7.01**	**5.89**	**5.07**	**10.56**

* includes adjustments for set off of warranty provisions maintained by the company against customer deductions towards warranty claims amounting to Rs 5.83 crores

(i) **Information about individual provisions and significant estimates**

Provision for leave encashment

The provision for leave encashment includes annual leave accrued.

Provision for Warranty

Refer Note 1.27

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

(ii) **Movements in provisions**

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

Particulars	Provision for leave encashment	Provision for Warranty
As at April 1, 2020	**7.33**	**5.42**
Charged/(credited) to profit or loss	1.30	3.42
Amounts utilised during the year	(1.83)	(0.22)
As at March 31, 2021	**6.80**	**8.62**
Charged/ (credited) to profit or loss	3.42	5.27
Amounts utilised during the year	(2.49)	(9.54)
As at March 31, 2022	**7.73**	**4.35**

19 Other liabilities

Particulars	Non-Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deferred income	1.65	0.91	0.93	1.82
Tooling advance received from customers	11.54	10.08	-	-
Statutory dues	-	-	8.43	6.29
Advances from customers	-	-	-	0.01
Total	**13.19**	**10.99**	**9.36**	**8.12**

20 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	0.49	0.35
Unclaimed dividends	0.13	0.15
Financial guarantee	-	0.07
Security deposits	1.10	0.42
Payable to employees	15.19	8.23
Commission payable to chairman	1.07	0.39
Payables on purchase of fixed assets	2.46	0.97
Others^	17.46	14.62
Total	**37.90**	**25.20**

^ Comprises of dealer incentives and royalty payable amounting to INR 13.77 crores and INR 3.44 crores respectively as at March 31, 2022 and INR 11.47 crores and INR 3.05 crores respectively as at March 31, 2021.

The Company's exposure to currency and liquidity risk related to above financial liabilities is disclosed in Note 33.

21 Deferred tax liability (Net)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	(1.93)	(1.77)
Total	**(1.93)**	**(1.77)**

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Movements in deferred tax liabilities

Particulars	Provision for employee benefit expense	Depreciation	Cash flow hedge reserve	Others^	Total
As at April 1, 2020	8.02	(17.97)	1.50	6.76	(1.69)
Charged/(Credited)					
- to profit & loss	(4.63)	8.63	-	(2.50)	1.50
- to other comprehensive income	(0.08)	-	(1.50)	-	(1.58)
As at April 1, 2021	3.31	(9.34)	-	4.26	(1.77)
Charged/(Credited)					
- to profit & loss	0.01	1.73	-	(1.89)	(0.15)
- to other comprehensive income	(0.01)	-	-	-	(0.01)
As at March 31, 2022	3.31	(7.61)	-	2.37	(1.93)

^ Includes deferred taxes in respect of derivative asset, provision for warranty, provision for bad and doubtful debts and provision for inventories.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future long term capital gain will be available against which the Company can use the benefits there from:

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Fair value change on investments recognised at FVTPL	99.54	11.39	100.08	11.45

22 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables - Micro enterprises and Small enterprises	2.18	4.81
Trade payables - Related Parties	6.86	5.97
Trade payables - Others	282.65	251.93
Total	**291.69**	**262.71**

Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of confirmations from such parties collected by the Management till date.

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME		2.18	-	-	-	-	2.18
(ii) Others	102.60	132.28	0.11	0.48	0.20	-	235.67
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	102.60	134.46	0.11	0.48	0.20	-	237.85
Unbilled							53.84
Total							291.69

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	2.74	2.07	-	-	-	-	4.81
(ii) Others	119.01	115.41	-	-	0.58	-	235.00
Disputed dues							
(i) MSME		-	-	-	-	-	-
(ii) Others		-	-	-	-	-	-
	121.75	117.48	-	-	0.58	-	239.81
Unbilled							22.90
Total							262.71

22.1 Micro and small enterprises :

Particulars	As at March 31, 2022	As at March 31, 2021
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on, remaining unpaid to suppliers under MSMED Act:		
- Principal	2.18	4.81
- 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:		
- Principal	1.62	2.67
- Interest	0.01	0.02
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
- Principal	-	-
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year ((Previous year ₹Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

23 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sales of products	1,528.78	1,123.20
Other operating revenues		
- Scrap sales	17.89	10.48
- Sale of raw materials	-	5.35
- Job charges	0.05	-
- Export entitlements	8.28	8.12
Total	1,555.00	1,147.15

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Reconciliation of revenue from sale of products

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross revenues	1,553.36	1,142.97
Less: Customer discounts	(24.58)	(19.77)
Net revenues from sale of products	**1,528.78**	**1,123.20**

23.1 Disaggregation of revenue information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company. As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue by Geography		
India	1,212.71	849.60
Outside India	316.07	273.60
Total revenue from contracts with customers	**1,528.78**	**1,123.20**
Revenue by offerings		
Manufactured goods		
Steering and Suspension Linkage Products, Steering Gear Products and Hydraulic Products	1,334.73	990.00
Diecasting products	127.49	80.00
Other Auto components	66.56	53.20
Total revenue from contracts with customers	**1,528.78**	**1,123.20**

23.2 Trade Receivables

The Company classifies the right to consideration in exchange for goods transferred as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised when the Company satisfies the performance obligation by transferring the promised goods to the customers.

Trade receivable are presented net of impairment in the Balance Sheet.

23.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2022
Receivables, included under trade receivables	313.17	313.17
Contract liabilities included under advance from customers	-	-

The contract liabilities primarily relate to the advance consideration received from customers for manufacturing of products.

The amount of INR 0.01 crores included in contract liabilities as at March 31, 2021 has been recognised as revenue for the year ended March 31, 2022 (March 31, 2021: INR 0.99 crores).

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

24 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.37	0.37
-- On Supplier payments	0.08	0.11
-- On loans given to RMIH	-	1.10
Net gain on foreign currency transactions	0.05	-
Net gain on disposal of property, plant and equipment	0.17	0.11
Other non-operating income		
Income relating to financial guarantees	1.03	0.22
Government grant income	4.15	1.68
Others	0.94	0.31
Total	6.79	3.90

25 Cost of materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock	38.21	34.93
Add: Purchases (Including raw material acquired through business combination of ₹ 1.84 crores (Refer Note 45))	986.08	674.33
Less: Closing stock	(47.84)	(38.21)
Raw materials and Components consumed *	976.45	671.05
Freight inward	17.01	14.64
Job work expenses	56.10	42.79
Total	1,049.56	728.48
* includes cost of raw materials and components sold	-	4.81

26 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock:		
Work-in-progress	16.18	11.11
Finished goods	59.08	68.39
Closing Stock:		
Work-in-progress	20.98	16.18
Finished goods	97.45	59.08
(Increase)/Decrease in inventories	(43.17)	4.24

27 Employee benefit expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	145.31	116.50
Contribution to		
Provident and Other Funds (Refer Note 36)	5.83	5.51
Superannuation Fund (Refer Note 36)	0.56	0.57
National Pension Scheme	0.17	0.13
Gratuity Fund (Refer Note 36)	1.64	2.06
Staff Welfare Expenses	13.41	9.22
Total	166.92	133.99

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

28 Finance cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest costs:		
Interest on bank overdrafts and loans	18.47	21.52
Other borrowing costs	2.00	1.38
Interest on lease liabilities (Refer note 39)	0.58	0.56
Total	21.05	23.46

29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on Property, plant and equipment (Note 2)	59.49	50.94
Depreciation on Right to use assets (Note 3)	0.91	0.98
Amortisation of Intangible assets (Note 5)	0.71	0.38
Total	61.11	52.30

30 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and Fuel	36.64	28.74
Rent expense	2.08	0.42
Travelling and Conveyance	6.05	4.18
Repairs and Maintenance		
- Buildings	3.71	2.64
- Plant and Machinery	14.05	10.95
- Others	1.82	1.24
Insurance	6.80	5.67
Rates and Taxes, excluding taxes on income	1.33	1.35
Auditors' Remuneration (Refer Note 30.1)	0.34	0.34
Directors' Sitting Fees	0.24	0.02
Professional Charges	12.80	9.59
Impairment loss / (write-back) on financial assets	1.19	1.54
Consumption of stores and spares	57.28	40.81
Packing materials consumed	44.69	34.08
Royalty and Technical Fees	0.39	0.06
Information Systems	5.90	4.73
Commission to Chairman	1.07	0.39
Freight Outward and Storage charges	37.46	27.29
Advertisement and Sales Promotion	0.91	0.58
Product Warranty	5.27	3.42
Trade Mark fee	7.66	5.41
Printing and Stationery	1.16	0.97
Postage and Telecom expenses	0.63	0.66
Bank Charges	0.84	0.50
Corporate Social Responsibility Expenditure (Refer Note 30.2)	0.72	0.99
Net loss/(gain) on foreign currency transactions	-	1.21
Miscellaneous Expenses	3.82	3.34
Total	254.85	191.12

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Included in other expenses are the below:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
30.1. Payment to auditors*		
a) For audit	0.19	0.19
b) For taxation matters	0.01	0.01
c) For limited review	0.10	0.08
d) For certifications	0.03	0.06
e) For reimbursement of expenses	0.01	-
	0.34	0.34
* includes amount of ₹ 0.06 Crs for March 31, 2021 paid/payable to a firm other than B S R & Co. LLP		
30.2. Expenditure incurred for Corporate social responsibility		
Total expenditure towards corporate social responsibility		
(a) Amount required to be spent by the company during the year	0.70	0.97
(b) Amount spent during the year (in cash):		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
(a) Education	0.63	0.61
(b) Healthcare	0.08	0.32
(c) Others	0.01	0.06
	0.72	0.99
(c) Excess / (shortfall) at the end of the year	0.02	0.02
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall(if any)	NA	NA
(f) Details of Related Party Transactions	Refer note below	Refer note below
(g) 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	-	-

Note: The above expenditure includes contribution to Rane Foundation of ₹0.56 crores (March 31, 2021: 0.58 crores), over which the Company has significant influence (also refer note 35)

31 Tax expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income taxes		
Income tax recognised in profit or loss		
Current tax		
In respect of current year	14.71	7.16
	14.71	7.16
Deferred tax		
In respect of current year	0.15	(1.51)
	0.15	(1.51)
Total income tax expense recognised in the profit or loss	14.86	5.65

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income taxes		
Income tax recognised in other comprehensive income		
Deferred tax		
In respect of current year	0.01	0.01
Total income tax expense /(gain) recognised in other comprehensive income	0.01	1.58

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Reconciliation of Effective tax rate:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before tax	51.47	(45.04)
Add: Exceptional item	-	62.50
	51.47	17.46
Income Tax expense calculated at 25.17% (2020-21: 25.17%)	12.95	4.39
Tax incentives	-	(0.07)
Non deductible expense	1.81	0.35
Tax exempt income	(0.55)	(0.48)
Deductions under Chapter VI A	(0.09)	(0.13)
Impact of change in tax rates & effects of taxes relating to earlier years	0.74	1.59
Income Tax expense recognised in profit or loss	**14.86**	**5.65**

During the previous year March 31, 2021, the Company has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act,1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has re-measured its deferred tax liabilites.

The tax rate used for the 2021-22 and 2020-21 tax computation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

32 Ratios as per the schedule III requirements:

a) **Current ratio = Current assets divided by Current liabilities**

Particulars	March 31, 2022	March 31, 2021
Current assets	566.46	415.96
Current liabilities	639.21	523.81
Ratio	**0.89**	**0.79**
% change from previous year	11.6%	

Reason for change more than 25% : Not applicable

b) **Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings**

Particulars	March 31, 2022	March 31, 2021
Total debt	446.51	305.83
Total equity	374.93	308.27
Ratio	**1.19**	**0.99**
% change from previous year	20.0%	

Reason for change more than 25% : Not applicable

c) **Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments**

Particulars	March 31, 2022	March 31, 2021
Profit after tax	36.61	(50.69)
Add:		
Depreciation and amortisation expense	61.11	52.30
Finance cost	21.05	23.46
Earnings available for debt services	**118.77**	**25.07**
Interest payment on borrowings	21.13	23.45
Lease payments	1.10	1.09
Principal repayments	47.42	89.13
Total interest and principal repaymnets	**69.65**	**113.67**
Ratio	**1.71**	**0.22**
% change from previous year	673.2%	

Reason for change more than 25% : Significant term loans were due for repayment in the previous year. Further overall financial performance of the Company was higher in the current year.

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

d) **Return on Equity ratio = Profit after tax divided by average shareholder's equity**

Particulars	March 31, 2022	March 31, 2021
Profit after tax	36.61	(50.69)
Average shareholder's equity (refer note below)	341.60	304.60
Ratio	**10.72%**	**-16.64%**
% change from previous year	-164.4%	

Note: Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) divided by 2

Reason for change more than 25% : Increase in Profit after tax on account of enhanced overall financial performance.

e) **Inventory turnover ratio = Cost of goods sold divided by average inventory**

Particulars	March 31, 2022	March 31, 2021
Cost of goods sold (refer note 1 below)	1,108.36	807.61
Average inventory (refer note 2 below)	161.65	132.96
Ratio	**6.86**	**6.07**
% change from previous year	12.9%	

Note:

1. Cost of goods sold includes cost of materials consumed and changes in inventories of finished goods and work-in-progress, consumption of packing material and consumption of stores, and spares
2. Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

f) **Trade receivables turnover ratio = Sales divided by average trade receivables**

Particulars	March 31, 2022	March 31, 2021
Turnover (refer note 1 below)	1,546.72	1,139.03
Average trade receivables (refer note 2 below)	277.70	202.57
Ratio	**5.57**	**5.62**
% change from previous year	(0.9)%	

Note:

1. Turnover represents revenue from operations excluding export incentives
2. Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

g) **Trade payables turnover ratio = Purchases divided by average trade payables**

Particulars	March 31, 2022	March 31, 2021
Purchases (refer note 1 below)	1,161.16	806.65
Average trade payables (refer note 2 below)	277.20	208.55
Ratio	**4.19**	**3.87**
% change from previous year	8.3%	

Note:

1. Purchases includes purchase of materials, Job work charges, freight inward and consumption of stores and spares and Consumption of packing material.
2. Average trade payables = (Trade Payables as at beginning of respective year + Trade Payables as at end of respective year) divided by 2

Reason for change more than 25% : Not applicable

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

h) **Net capital turnover ratio = Revenue from operations divided by workings capital**

Particulars	March 31, 2022	March 31, 2021
Revenue from operations	1,555.00	1,147.15
Workings capital (refer note below)	(72.75)	(107.85)
Ratio	**(21.37)**	**(10.64)**
% change from previous year	101.0%	

Note: Working capital = Current assets - Current liabilities

Reason for change more than 25% : Increase in Revenue from operation on account of enhanced overall financial performance.

i) **Net profit ratio = Net profit after tax divided by Revenue from operations**

Particulars	March 31, 2022	March 31, 2021
Net profit after tax	36.61	(50.69)
Revenue from operations	1,555.00	1,147.15
Ratio	**0.02**	**(0.04)**
% change from previous year	-153.3%	

Reason for change more than 25% : Increase in Profit after tax on account of enhanced overall financial performance.

j) **Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed**

Particulars	March 31, 2022	March 31, 2021
Earnings before interest and taxes (refer note 1 below)	72.52	(21.58)
Capital employed (refer note 2 below)	823.37	615.87
Ratio	**0.09**	**(0.04)**
% change from previous year	-351.4%	

Note:

1. EBIT = Profit before taxes + finance cost
2. Capital employed = Total equity + Total debt + Deferred tax liabilities.

Reason for change more than 25% : Increase in Profit after tax on account of enhanced overall financial performance.

k) **Return on investments = Income generated from invested funds divided by Average invested funds in treasury investments**

Particulars	March 31, 2022	March 31, 2021
Income generated from invested funds	-	-
Investments	-	-
Ratio	-	-
% change from previous year	0.00%	

Reason for change more than 25% : Not applicable

33 Financial Instruments

33.1 Capital management

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

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

The Company determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of debt to equity of the Company.

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

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Debt *	446.51	305.83
Cash and bank balances	(8.13)	(6.67)
Net debt	438.38	299.16
Total Equity**	374.93	308.27
Net debt to equity ratio	**1.17**	**0.97**

*Debt is defined as long-term and short-term borrowings.

** Equity includes all capital and reserves of the Company.

33.2 Fair Value Measurement

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 March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Loans	-	-	0.54	-	-	0.22
Investments	173.51	-	-	107.30	-	-
Trade Receivables	-	-	313.17	-	-	242.22
Cash and Cash Equivalents	-	-	8.00	-	-	6.52
Bank balances other than above	-	-	0.13	-	-	0.15
Other Financial assets	-	-	43.22	-	-	57.81
Derivative assets	2.56	-	-	0.45	-	-
Total Financial Assets	**176.07**	**-**	**365.06**	**107.75**	**-**	**306.92**
Financial Liabilities						
Borrowings	-	-	446.51	-	-	305.83
Trade Payables	-	-	291.69	-	-	262.71
Lease Liability	-	-	6.30	-	-	6.69
Other Financial liabilities	-	-	37.90	-	-	25.20
Total Financial Liabilities	**-**	**-**	**782.40**	**-**	**-**	**600.43**

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

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

Particulars	As at March 31, 2022	As at March 31, 2021	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets				
Investments	173.51	107.30	3	The fair value is estimated considering the discounted cash flow projections calculated using discount rates adjusted for company specific premium.
Derivative Assets	2.56	0.45	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	176.07	107.75		

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Level 3 Fair Values

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	FVTPL Securities
Balance as at April 1, 2020	80.10
Investments made during the year	89.70
Net change in Fair value (Unrealised)	(62.50)
Balance as at March 31, 2021	107.30
Investments made during the year	72.14
Net change in Fair value (Unrealised)	-
Net loss on restatement	(5.07)
Balance as at March 31, 2022	173.51

The key assumptions used in the estimation of the fair value changes are set out below. The values assigned to the key assumptions is based on the management's assessment.

in percent	As at March 31, 2022	As at March 31, 2021
Discount rate	8.20% to 9.20%	7.80% to 8.80%
Terminal value growth rate	2.50%	2.50%
Revenue growth rate	15.38%	22.18%

Sensitivity analysis

For the fair values of FVTPL securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	Impact on Profit/(Loss)	
	Increase	Decrease
March 31, 2021		
Annual revenue growth rate (1% movement)	23.79	(22.88)
Terminal value growth rate (1% movement)	62.50	(44.73)
Risk adjusted discount rate (1% movement)	(50.91)	62.50
March 31, 2022		
Annual revenue growth rate (1% movement)	19.27	(18.95)
Terminal value growth rate (1% movement)	5.98	(5.66)
Risk adjusted discount rate (1% movement)	(12.11)	17.38

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

33.3 Financial risk management objectives

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

Notes forming part of the Standalone financial statements

as at and for the year ended March 31, 2022

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

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

The Company shall follow a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered from time to time. Depending on the future outlook on currencies, the Company may keep the exposures un-hedged or hedge only a part of the total exposure. The Company shall not enter into a foreign exchange transaction for speculative purposes i.e. without any actual /anticipated underlying exposures.

(a) Market risk

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

Foreign Currency risk management

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	In equivalent INR (Crores)	In Foreign Currency (Crores)	In equivalent INR (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
Financial Assets				
USD				
Trade Receivable	99.33	1.31	63.67	0.87
Commision Receivables	0.96	0.01	-	-
Bank Balances	1.77	0.02	1.98	0.03
EUR				
NCRPS	170.18	2.01	104.83	1.22
Trade Receivable	12.70	0.15	10.51	0.12
Bank Balances	0.08	0.00	0.01	0.00
Sub Total	285.02		181.00	
Financial Liabilities				
USD				
Loans from banks	(62.47)	(0.83)		
Trade Payable	(4.05)	(0.05)	(1.38)	(0.02)
EUR				
Loans from banks	(12.25)	(0.15)		
Trade Payable	(0.43)	(0.01)	(0.69)	(0.01)
SGD				
Trade Payable	(0.07)	-	-	-
Sub Total	(79.27)		(2.07)	
Net Balance	205.75		178.93	

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Foreign Currency sensitivity analysis

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

Particulars	Currency USD impact		Currency EUR impact		Currency SGD impact	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Impact on profit or loss for the year						
- Increase by 5%	1.76	3.25	8.49	5.74	-	-
- Decrease by 5%	(1.76)	(3.25)	(8.49)	(5.74)	-	-
Impact on other components of equity as at the end of the reporting period						
- Increase by 5%	-	-	-	-	-	-
- Decrease by 5%	-	-	-	-	-	-

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

Derivative Financial Instruments

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

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

Particulars	As at March 31, 2022		As at March 31, 2022	
	Foreign currency (In Crores)	In ₹ (In Crores)	Foreign currency (In Crores)	In ₹ (In Crores)
Derivatives designated as cash flow hedges				
Forward Contracts				
In USD	1.96	154.96	1.09	82.25
In Euro	0.17	14.66	0.14	13.02
Total forwards		169.62		95.27

The foreign exchange forward contracts mature within 24 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 March 31, 2022	As at March 31, 2021
Not later than 1 month	1.52	-
Later than 1 month but not later than 3 months	44.25	17.85
Later than 3 months upto 6 months	33.05	19.16
Later than 6 months but not later than 1 year	42.77	58.26
Later than 1 year	48.03	-
Total	169.62	95.27

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

As at March 31, 2022, the Company does not have any foreign currency forward contracts which are designated as hedge instruments and hence all gains and losses in respect of such contracts have been recorded in the statement of profit and loss.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2022 is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	-	(2.79)
Gain/loss recognised in other comprehensive income during the period	-	4.29
Tax impact on above	-	(1.50)
Balance at the end of the year	-	-

Interest rate risk

The Company adopts appropriate policies to ensure that the interest rate risk exposure is minimised. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, loans, investments, deposits with banks and financial institutions and trade and other financial receivables. The carrying amount of financial assets represents the maximum credit risk.

(i) Expected credit loss for loans, security deposits and other financial assets

The estimated gross carrying amount at default is Nil (March 31, 2021: Nil) for loans, security deposits and other financial assets. Consequently there are no expected credit loss recognised for these financial assets.

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

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

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

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience 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.

(c) Liquidity risk management

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

Liquidity and interest risk

The following information provides details of the Company's remaining contractual maturity for its financial liabilities 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 Company can be required to pay and includes 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.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	306.64	160.12	8.71	475.47	446.51
Trade Payables	291.69	-	-	291.69	291.69
Lease liability	1.18	2.04	11.24	14.46	6.30
Other Financial liabilities	37.90	-	-	37.90	37.90
Total	637.41	162.16	19.95	819.52	782.40

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	227.69	97.06	-	324.75	305.83
Trade Payables	262.71	-	-	262.71	262.71
Lease liability	1.04	2.64	11.64	15.32	6.69
Other Financial liabilities	25.20	-	-	25.20	25.20
Total	516.64	99.70	11.64	627.98	600.43

In addition, the Company is exposed to liquidity risk in relation to Corporate guarantees given to banks provided by the Company. The Company's maximum exposure in this respect is the maximum amount the Company would have to pay if the guarantee is invoked. These Corporate guarantees have been issued to banks under the financing facilities agreements entered into its subsidiaries companies. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided. (Refer note 40A)

The Company has secured bank loans that contain loan covenants. A future breach of covenants may require the Company to repay the loans earlier than indicated in the above table

34 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the company 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. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

34.1 Product wise break up - Please refer note no. 23.1

34.2 Geographical information

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

Particulars	Revenue from external customers		Non - current assets**	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	1,238.93	873.55	399.62	354.71
Rest of the world	316.07	273.60	-	-
Total	1,555.00	1,147.15	399.62	354.71

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

** Non- current assets are used in the operations of the Company to generate revenues both in India and outside India. Non-current assets exclude financial instruments, income tax assets and deferred tax assets.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

34.3 Information about major customers

The company is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic Products, Die casting products and other auto components for transportation industry.

The Company has three major customers (greater than 10% of total sales) and Revenue from sale of auto components to these major customers aggregated to ₹ 530.29 crores (March 31,2021- ₹ 357.04 crores).

35 Related party disclosures

(a)	List of related parties where control exists	
	Holding Company	Rane Holdings Limited (RHL)
	Subsidiary	Rane (Madras) International Holdings B.V (RMIH)
		Rane Light Metal Castings Inc; USA (RLMCA)
	Other related parties where transaction have taken place during the year	
(b)	Key Management Personnel (KMP)	Ms Gowri Kailasam, Manager & President
		Mr L Ganesh, Chairman (KMP of Parent)
		Mr Harish Lakshman, Vice-Chairman (KMP of Parent)
(c)	Relative of KMP	Mr L Lakshman, Director (Related Party upto 27.05.2021)
		Mr Aditya Ganesh
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation (RF)
(e)	Fellow Subsidiaries	Rane Engine Valve Limited (REVL)
		Rane Holdings America Inc. (RHAI)
		Rane Brake Lining Limited (RBL)
		Rane Holdings Europe GmbH (RHEG)
		Rane t4u Private Limited (Rt4u)
(f)	Joint ventures of the Holding company	ZF Rane Automotive India Private Limited (ZRAI) (Formerly known as Rane TRW Steering Systems Private Limited (RTSS))
		Rane NSK Steering Systems Private Limited (RNSS)
(g)	Post employment benefit plan of the entity	Rane Madras Employee Gratuity Fund (RMEGF)
		Rane Madras Employee Senior Executives Pension Fund (RMESEPF)

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Details of related party transactions and balances :

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Transaction during the year																		
Sales																		
Sales-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	13.19	7.67	-	-	13.19	7.67
Other income																		
Interest on loan - RMIH	-	-	-	1.10	-	-	-	-	-	-	-	-	-	-	-	-	-	1.10
Testing charges - ZRAI	-	-	-		-	-	-	-	-	-	-	-	0.12	-	-	-	0.12	-
Purchases																		
Purchases RBL	-	-	-	-	-	-	-	-	-	-	2.70	1.82	-	-	-	-	2.70	1.82
Purchases REVL	-	-	-	-	-	-	-	-	-	-	2.36	1.49	-	-	-	-	2.36	1.49
Purchases-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	1.97	1.92	-	-	1.97	1.92
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	30.82	17.69	-	-	30.82	17.69
Purchase of Machinery-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	1.00	0.97	-	-	1.00	0.97
Purchase of PPE kits, masks-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05
Expenses																		
Professional Charges	4.39	3.29	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.39	3.29
Software Expenses	4.14	3.49	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.14	3.49
Training Expenses	0.46	0.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.46	0.37
Trademark Fee	7.66	5.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.66	5.41
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	2.27	1.61	-	-	-	-	2.27	1.61
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	0.49	0.44	-	-	-	-	0.49	0.44
Donation-Rane Foundation	-	-	-	-	-	-	-	-	0.56	0.58	-	-	-	-	-	-	0.56	0.58
Miscellaneous Expenses	0.46	0.41	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.46	0.41
Reimbursement of expenses to RHL	0.03	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.01
Reimbursement of Expenses to RHAI	-	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	0.12
Reimbursement of Expenses to RBL	-	-	-	-	-	-	-	-	-	-	0.01	0.03	-	-	-	-	0.01	0.03
Reimbursement of expenses from RHL	-	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
Reimbursement of Expenses from REVL,	-	-	-	-	-	-	-	-	-	-	0.07	0.01	-	-	-	-	0.07	0.01
Reimbursement of Expenses from RBL	-	-	-	-	-	-	-	-	-	-	0.34	0.05	-	-	-	-	0.34	0.05
Reimbursement of Expenses to ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.10	-	-	-	0.10	-
Reimbursement of Expenses from ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.08	0.11	-	-	0.08	0.11
Capital Expenditure																		
Upgradation of SAP HANA Licence Fee	0.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54	-
Loans, investments and guarantees																		
Investments in NCRPS of subsidiary-RMIH	-	-	64.81	89.70	-	-	-	-	-	-	-	-	-	-	-	-	64.81	89.70

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Repayment of Loan by subsidiary-RMIH	-	-	-	33.83	-	-	-	-	-	-	-	-	-	-	-	-	-	33.83
Preferential Issue of Equity shares	30.01	53.32	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.01	53.32
Conversion of warrants	-	1.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.67
Repayment of interest - RMIH	-	-	-	5.50	-	-	-	-	-	-	-	-	-	-	-	-	-	5.50
Impairment loss	-	-	-	**62.50**	-	-	-	-	-	-	-	-	-	-	-	-	-	**62.50**
Financial Guarantee-LMCA	-	-	0.01	0.05	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.05
Financial Guarantee-RMIH	-	-	0.06	0.17	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.17
SBLC- RBL-LMCA	-	-	37.86	-	-	-	-	-	-	-	-	-	-	-	-	-	37.86	-
SBLC- EXIM-LMCA	-	-	11.74	35.78	-	-	-	-	-	-	-	-	-	-	-	-	11.74	35.78
SBLC commission income - LMCA	-	-	0.96	-	-	-	-	-	-	-	-	-	-	-	-	-	0.96	-
Contributions to post employment benefit plan																		
Contributions to RMEGF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.90	10.92	2.90	10.92
Contributions to RMESEPF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.58	0.57	0.58	0.57
Remuneration to KMP																		
Commission to Chairman	-	-	-	-	1.07	0.39	-	-	-	-	-	-	-	-	-	-	1.07	0.39
Salaries - Ms. Gowri Kailasam	-	-	-	-	1.17	1.19	-	-	-	-	-	-	-	-	-	-	1.17	1.19
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	0.59	0.57	-	-	-	-	-	-	-	-	0.59	0.57
Sitting Fees	-	-	-	-	0.07	0.01	0.01	-	-	-	-	-	-	-	-	-	0.08	0.01

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Details of Related Party balances:

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Balance as at year end March 31, 2022																		
Payables																		
RHL	0.88	1.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.88	1.61
Mr L Ganesh	-	-	-	-	1.07	0.39	-	-	-	-	-	-	-	-	-	-	1.07	0.39
REVL	-	-	-	-	-	-	-	-	-	-	0.10	0.08	-	-	-	-	0.10	0.08
RBL	-	-	-	-	-	-	-	-	-	-	0.62	0.35	-	-	-	-	0.62	0.35
RHAI	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-
RHEG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.57	0.71	-	-	0.57	0.71
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	4.68	3.22	-	-	4.68	3.22
Receivables																		
REVL	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02	-
RHAI	-	-	-	-							-	0.01	-	-	-	-	-	0.01
RHEG	-	-	-	-	-	-	-	-	-	-	0.05	0.01	-	-	-	-	0.05	0.01
ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	2.22	2.46	-	-	2.22	2.46
LMCA	-	-	0.96	-	-	-	-	-	-	-	-	-	-	-	-	-	0.96	-
Other balances																		
Money received against share warrants - RHL	-	10.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.00
Investment in equity shares-RMIH	-	-	0.15	0.15	-	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15
Investment in NCRPS of subsidiary-RMIH	-	-	269.72	204.91	-	-	-	-	-	-	-	-	-	-	-	-	269.72	204.91
FMV of financial guarantee given	-	-	1.87	1.87	-	-	-	-	-	-	-	-	-	-	-	-	1.87	1.87
Financial Guarantee - RMIH	-	-	-	12.94	-	-	-	-	-	-	-	-	-	-	-	-	-	12.94
Financial Guarantee - LMCA	-	-	-	44.49	-	-	-	-	-	-	-	-	-	-	-	-	-	44.49
SBLC - RBL - LMCA	-	-	37.86	-	-	-	-	-	-	-	-	-	-	-	-	-	37.86	-
SBLC - EXIM- LMCA	-	-	94.65	82.91	-	-	-	-	-	-	-	-	-	-	-	-	94.65	82.91

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Remuneration to Key Management personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short term benefits paid	2.16	1.50
Post employment benefits	-	-
Other Long term benefits paid	0.08	0.08
Termination Benefits	-	-
Total	**2.24**	**1.58**

Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

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.

The major defined contribution plans operated by the Company are as below:

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the 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 ₹ 6.39 Crores (for the year ended March 31,2021: ₹ 6.08 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2022, contributions of ₹ 1.14 Crores (as at March 31, 2021: ₹ 0.91 Crores) due in respect to 2021-22 (2020-21) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk 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 Standalone financial statements
as at and for the year ended March 31, 2022

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

C. Details of defined benefit obligation and plan assets:

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(i) Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	22.41	21.68
Current Service Cost	1.67	1.75
Provision assumed on account of business combination (Refer note 45)	0.12	-
Interest cost	1.50	1.37
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.48	(0.63)
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Benefits paid	(1.13)	(1.76)
Closing defined benefit obligation	**25.05**	**22.41**

(ii) Movements in the fair value of the plan assets

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening fair value of plan assets	21.38	11.47
Interest income	1.53	1.06
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.53	(0.30)
Contributions from the Employer	2.90	10.92
Benefits paid	(1.14)	(1.77)
Closing fair value of plan assets	**25.20**	**21.38**

(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	25.05	22.41
Less: Fair value of plan assets	(25.20)	(21.38)
Funded status	**(0.15)**	**1.03**
Net liability arising from defined benefit obligation	(0.15)	1.03
Current	**(0.15)**	**1.03**
Non Current	-	-

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

(iv) **Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Service Cost :		
Current Service cost	1.67	1.75
Net interest Expense	(0.03)	0.31
Components of defined benefit costs recognised in profit or loss	**1.64**	**2.06**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.48	(0.63)
Actuarial (gains) / losses arising from changes in financial assumptions	(0.53)	0.31
Actuarial (gains) / losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	**(0.05)**	**(0.32)**
Total	1.59	1.74

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(vi) **The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	March 31, 2022	March 31, 2021
Discount Rate	7.32%	6.88%
Expected Rate of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Attrition Rate		
Executives and Staff	4.70%	6.00%
Operators	1.27%	3.00%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

Sensitivity Analysis

Change in assumption	Valuation as at March 31, 2022	Valuation as at March 31, 2021
A. Discount Rate + 50 BP	7.82%	7.38%
Defined Benefit Obligation	24.01	21.52
Current Service Cost	1.84	1.70
B. Discount Rate - 50 BP	6.8%	6.4%
Defined Benefit Obligation	26.16	23.34
Current Service Cost	2.05	1.89
C. Salary Escalation Rate +50 BP	8.5% pa and 6.5% pa	8.5% & 6.5%
Defined Benefit Obligation	26.17	23.36
Current Service Cost	2.05	1.89
D. Salary Escalation Rate -50 BP	7.5% pa and 5.5% pa	7.5% & 5.5%
Defined Benefit Obligation	23.98	21.50
Current Service Cost	1.83	1.70
E. Attrition Rate +50 BP	5.20% pa and 1.77% pa	6.5% & 3.5%
Defined Benefit Obligation	25.10	22.41
Current Service Cost	1.93	1.80
F. Attrition Rate -50 BP	4.20% pa and 0.77%pa	5.5% & 2.5%
Defined Benefit Obligation	24.99	22.39
Current Service Cost	1.94	1.79

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 9.4 years (2021-8.8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	1.38	1.55
Year 2	3.46	2.77
Year 3	1.44	1.84
Year 4	2.83	1.55
Year 5	2.33	2.96
Next 5 Years	12.14	10.48

37 Earnings per share:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic Earnings per share	23.94	(39.51)
Diluted Earnings per share	23.94	(39.51)

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) for the year	36.61	(50.69)
Earnings used in the calculation of basic earnings per share	36.61	(50.69)

In Nos.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,62,65,267	1,45,65,309
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,52,91,866	1,28,28,167

Diluted Earnings per share

The earnings used in the calculation of diluted earnings per share is as follows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Earnings used in the calculation of basic earnings per share	36.61	(50.69)
Earnings used in the calculation of diluted earnings per share	36.61	(50.69)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

In Nos.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Weighted average number of equity shares used in the calculation of basic earnings per share	1,52,91,866	1,28,28,167
Effect of Convertible share warrants	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,52,91,866	1,28,28,167

Share warrants that are outstanding as at March 31, 2021 were not considered in the calculation of diluted earnings per share, as their effect was anti-dilutive.

38 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) The Company has not advanced or loaned funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) 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

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries other than in the ordinary course of business.

(iv) The Company has not received any fund from any persons or entities, including foreign entities with the understanding that the Company shall:

a) 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

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) 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).

(vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(vii) The Company has no transactions with struck off companies during the year.

(viii) Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.

(ix) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.

(x) Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital loans with banks or financial institutions along with reconciliation and reasons for discrepancies is as follows:

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

Quarter	Name of banks	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	Kotak Mahindra Bank	Sales	295.10	301.91	(6.81)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	200.44	154.04	46.40	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	214.15	223.53	(9.38)	Unbilled revenues not considered in quarterly returns/ statements.
Sep-21	Kotak Mahindra Bank	Sales	700.24	716.93	(16.69)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	229.64	170.51	59.13	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	270.89	289.10	(18.21)	Unbilled revenues not considered in quarterly returns/ statements. Also inter-unit receivables considered in quarterly returns have been eliminated in the books of account.
Dec-21	Kotak Mahindra Bank	Sales	1,081.57	1,099.82	(18.25)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	237.12	177.99	59.13	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	246.40	248.23	(1.83)	Unbilled revenues not considered in quarterly returns/ statements. Also inter-unit receivables considered in quarterly returns have been eliminated in the books of account.
Mar-22	Kotak Mahindra Bank	Sales	1,532.18	1,545.78	(13.60)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	231.52	181.07	50.45	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited Standard chartered Bank	Trade receivables	313.17	301.64	11.53	Reclassification adjustments not considered in quarterly returns/ statements.

Notes:

1. Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission except as at March 31, 2022.
2. Quarterly information requirements for individual banks may be different for similar line items.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

39 Leases

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	0.63	0.65
Non-current lease liabilities	5.67	6.04
Total	**6.30**	**6.69**

B. Movement in Lease liabilities :

The following is the movement in lease liabilities:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	**6.69**	**3.92**
Additions	0.13	3.49
Finance costs accrued during the period	0.58	0.56
Deletions	-	(0.19)
Payment of Lease liabilities	(1.10)	(1.09)
Closing balance	**6.30**	**6.69**

C. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	1.18	1.04
One to five years	2.04	2.64
More than five years	11.24	11.64
Total	**14.46**	**15.32**

D. Amounts recognized in profit or loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	0.58	0.56
Variable lease payments not included in the lease payment liabilities	-	-
Income from sub-leasing right of use assets	-	-
Expenses relating to short- term leases recognised in other expenses	2.08	0.42
Expenses relating to leases of low- value assets,excluding short term leases of low value assets.	-	-

E. Amounts recognized/disclosed in Cash flow statement

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflows for leases included under financing activities	1.10	1.09

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

40 Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities		
Claims against the Company not acknowledged as debt		
- Income Tax matters under appeal	18.52	16.05
- Central Excise, Service Tax and Sales tax matters under appeal	8.88	8.73
- Labour related matters under appeal	4.64	3.69
Total	32.04	**28.47**

40A Guarantees and commitment

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees and Letter of credit		
-Outstanding bank guarantees	1.56	5.38
-Financial Guarantee	-	57.43
-Letter of credit	-	4.75
-Standby Letter of credit	132.51	82.91
Commitments		
-Estimated amount of contracts remaining to be executed on capital account and not provided for	10.11	27.42

41 Events after the reporting date

The Company has evaluated subsequent events from the balance sheet date through May 20, 2022, the date on which the standalone financial statements were authorised for issue, and determined that there are no items to disclose.

42 Research and development cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Capital expenditure	6.40	1.94
Revenue expenditure:		
i) Materials	1.47	0.92
ii) Employee benefits	6.47	5.57
iii) Professional fees	0.07	0.17
iv) Consumables	0.69	0.47
v) Travel expenses	0.39	0.12
vi) Others	0.75	0.72
Total	16.24	**9.91**

43 Disclosure as per Regulation 34(3) read with Schedule V of SEBI (Listing obligations and disclosure requirements) Regulation, 2015

Loans and advances in the nature of loan - There are no loans and advance in the nature of loans with related parties at any time during the year ended March 31, 2022.

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

44 Details on derivative instruments

The following derivative positions are open as at March 31, 2022

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

Outstanding forward exchange contracts entered into by the Company as at March 31, 2022 and March 31, 2021

Currency	Buy/Sell	As at March 31, 2022	As at March 31, 2021
USD	Sell	154.96	82.25
Euro	Sell	14.66	13.02

45 Business combinations

Acquisition of Steering Component business ("Undertaking")

The Company acquired the Steering components business (SCB) of M/s. Yagachi Technologies Private Limited for an aggregate consideration of INR 23.19 Crores 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.

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	23.19
Total consideration for business combination	**23.19**

B. **Identifiable assets acquired and liabilities assumed**

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

Particulars	Amount
Property, plant and equipment	16.77
Intangible asset	0.02
Intangible assets - Customer contract	3.67
Inventories	3.06
Other financial assets	1.24
Other current assets	0.35
Provisions	(0.12)
Trade payables	(2.37)
Total net identifiable assets acquired	**22.62**

C. **Goodwill**

Particulars	Amount
Consideration transferred	23.19
Fair value of net identifiable assets	22.62
Goodwill	**0.57**

Notes forming part of the Standalone financial statements
as at and for the year ended March 31, 2022

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

46 Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Amount	Particulars	Purpose
Investment Made (Gross carrying amount)			
Rane (Madras) International Holdings B.V. (WOS)	0.15	Investment in WOS	Equity Investment
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	269.72	Investment in NCRPS of WOS	For Equity investment of RMIH to LMCA, Payment of EXIM Bank loan interest, meeting local establishment expenses
SBLC availed			
Rane Light Metal Castings Inc. (Step Down subsidiary-SDS)	132.51	SBLC on behalf of SDS	Availed from EXIM Bank and RBL Bank Limited towards facilitating obtaining of term loan and working capital to SDS

47 Prior year comparatives

Prior year figures have been reclassified wherever necessary to conform to current year's classification

48 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 20, 2022.

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491

Chennai
May 20, 2022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Rane (Madras) Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rane (Madras) Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), 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 separate financial statements of the subsidiary, 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, 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, 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 matter

We draw attention to Note 1.24 of the consolidated financial statements, which describes the economic and social consequences/ disruption as a result or COVID-19 which impact matters relating to supply chain, customer demand, commodity prices, personnel available for work etc.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Impairment of assets relating to Rane Light Metal Castings Inc., USA ('LMCA') – a cash generating unit Refer note 1.4 and 2 to the consolidated financial statements. The Group has identified LMCA as a separate cash generating unit ('CGU'), which has carrying value of Rs. 154.76 crores as at March 31, 2022. Due to significant losses incurred by LMCA, there is a risk that the carrying value of the CGU is higher than its recoverable values as at the year end, thereby triggering the impairment. The determination of the recoverable value of the CGU, which is based on the discounted cashflows, 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.	In view of the significance of the matter, we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of accounting policy as per relevant accounting standard. • Assessed the design and implementation of key internal financial controls with respect to impairment of CGU and tested the operating effectiveness of such controls. • Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Company for assessing the recoverable values of the CGU. • Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Group. • Evaluated the appropriateness of the key assumptions used in estimating future cash flows such as revenue growth rate, discount rate, terminal growth rate, including the possible

The key audit matter	How the matter was addressed in our audit
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 highly uncertain economic environment and hence the actual results may differ from those estimated at the date of approval of these financial statements.	effects of COVID-19. This evaluation was based on our knowledge of the Group and the industry, observable market data, past performances, consistency with the Board approved plans and inquiries of the auditors of the subsidiary. • Performed procedures in respect of sensitivity analysis of the key assumptions used in the impairment assessment. • Assessed the adequacy of the disclosures relating to impairment of CGU in the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report, (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this Auditors' 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 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 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 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 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 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 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 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 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 believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements .

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 one step-down subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 208.98 crores as at March 31, 2022, total revenues (before consolidation adjustments) of Rs. 186.92 crores and net cash flows (before consolidation adjustments) amounting to Rs. 3.63 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this step-down subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step-down subsidiary is based solely on the reports of the other auditors.

(b) The financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of Rs. 172.86 crores as at

March 31, 2022, total revenues (before consolidation adjustments) of Rs. Nil and net cash flows (before consolidation adjustments) amounting to Rs. 0.06 crores 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 this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is 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 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 financial statements of such subsidiary 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, none of the directors of the Group companies 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 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 financial statements of the subsidiary, 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. Refer Note 40 to the consolidated financial statements.

b) The Group 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 during the year ended March 31, 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to 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 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 the notes 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 Parties 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) The Holding Company have neither declared nor paid any dividend during the year.

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 during the current year by the Holding Company 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 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
Membership no: 203491
ICAI UDIN: 22203491AJHJER1478

Place: Chennai
Date: May 20, 2022

Annexure A to the Independent Auditors' report

on the Consolidated Financial Statements of Rane (Madras) Limited for the year ended March 31, 2022

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

Clause (xxi) of Companies (Auditor's Report) Order (CARO).

According to the information and explanations given to us and based on our examination, there are no companies included in the consolidated financial statements of the Holding Company which are companies incorporated in India except the Holding Company. The Companies (Auditor's Report) Order, 2020 of the Holding Company includes the following unfavourable remark, qualification or adverse remark in its report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Rane (Madras) Limited	L65993TN2004PLC052856	Clause (ii) (b)

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

S Sethuraman
Partner
Membership no: 203491
ICAI UDIN: 22203491AJHJER1478

Place: Chennai
Date: May 20, 2022

Annexure B to the Independent Auditors' report

on the consolidated financial statements of Rane (Madras) Limited for the year ended March 31, 2022

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 (Madras) Limited (hereinafter referred to as "the Holding Company"), as of that date.

In our opinion, the Holding Company has, 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 Holding 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 Holding 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 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 Financial Statements

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

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

S Sethuraman
Partner
Membership no: 203491
ICAI UDIN: 22203491AJHJER1478

Place: Chennai
Date: May 20, 2022

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2022

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

S. No	Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A.	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	2	460.45	401.19
	(b) Capital work-in-progress	2	18.39	31.14
	(c) Right of use assets	3	8.06	9.25
	(d) Goodwill	4	4.63	4.06
	(e) Other intangible assets	5	4.18	0.28
	(f) Financial assets			
	(i) Investments	6	1.46	0.60
	(ii) Other financial assets	7	46.62	57.23
	(g) Income tax assets (Net)	8	16.45	16.61
	(h) Other non-current assets	9	26.51	29.73
	Total non-current assets		586.75	550.09
	Current Assets			
	(a) Inventories	10	210.94	159.16
	(b) Financial assets			
	(i) Trade receivables	11	355.11	270.09
	(ii) Cash and cash equivalents	12	12.29	7.13
	(iii) Bank balances other than (ii) above	13	0.13	0.15
	(iv) Loans	14	0.71	0.34
	(v) Other financial assets	7	7.13	6.97
	(c) Other current assets	9	56.81	38.21
	Total current assets		643.12	482.05
	TOTAL ASSETS		1,229.87	1,032.14
B.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	15	16.27	14.57
	(b) Other equity	16	211.87	167.32
	Total Equity		228.14	181.89
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17A	234.49	189.35
	(ii) Lease liabilities	39	7.11	7.98
	(b) Provisions	18	20.27	19.58
	(c) Deferred tax liability (Net)	21	1.93	1.77
	(d) Other non-current liabilities	19	13.19	10.99
	Total non-current liabilities		276.99	229.67
	Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17B	341.51	270.97
	(ii) Lease liabilities	39	1.65	1.46
	(iii) Trade payables	22		
	(a) Total outstanding dues of micro enterprises and Small enterprises		2.18	4.81
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		317.17	289.14
	(iv) Other financial liabilities	20	40.27	27.39
	(b) Other current liabilities	19	16.89	16.25
	(c) Provisions	18	5.07	10.56
	Total current liabilities		724.74	620.58
	TOTAL LIABILITIES		1,001.73	850.25
	TOTAL EQUITY AND LIABILITIES		1,229.87	1,032.14

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2022

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

S.No	Particulars	Note No.	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenues from operations	23	1,741.92	1,267.39
II	Other income	24	5.72	6.87
III	**Total income (I+II)**		**1,747.64**	**1,274.26**
IV	**Expenses:**			
	Cost of materials consumed	25	1,132.09	770.58
	Changes in inventories of finished goods and work-in-progress	26	(41.73)	2.42
	Employee benefits expense	27	261.79	219.53
	Finance costs	28	19.64	27.04
	Depreciation and amortisation expense	29	81.01	66.12
	Other expenses	30	316.02	244.04
	Total Expenses (IV)		**1,768.82**	**1,329.73**
V	**Profit / (Loss) before exceptional items and tax (III-IV)**		**(21.18)**	**(55.47)**
VI	**Exceptional items**	32	**(46.71)**	-
VII	**Profit/(Loss) before tax (V-VI)**		**25.53**	**(55.47)**
VIII	**Tax expense:**			
	(1) Current tax	31	14.72	7.18
	(2) Deferred tax	31	0.15	(1.51)
			14.87	**5.67**
IX	**Profit/(Loss) for the year (VII - VIII)**		10.66	(61.14)
	Other comprehensive income/(loss)			
	A. Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit plans		0.55	5.58
	Income tax relating to items that will not be reclassified to statement of profit and loss		(0.01)	(0.08)
			0.54	5.50
	B. Items that will be reclassified to statement of profit and loss			
	Exchange differences on translation of foreign operations		6.96	(6.05)
	Gains / (loss) on hedging instruments in a cash flow hedge		(1.93)	6.22
	Income tax relating to items that will be reclassified to statement of profit and loss		-	(1.50)
			5.03	(1.33)
X	**Total other comprehensive income (A+B)**		**5.57**	**4.17**
XI	**Total comprehensive income/(loss) for the year (IX+X)**		**16.23**	**(56.97)**
XII	**Earnings Per Equity Share (Nominal value per share ₹10)**			
	(a) Basic (In ₹)	37	6.97	(47.66)
	(b) Diluted (In ₹)	37	6.97	(47.66)

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491

Chennai
May 20, 2022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2022

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

A. Equity Share Capital

Particulars	Amount
Balance as at April 1, 2020	**12.55**
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2020	12.55
Changes in equity share capital during the year	2.02
Balance as at March 31, 2021	**14.57**
Balance as at April 1, 2021	**14.57**
Changes in accounting policy or prior period errors	-
Restated balance as at April 1, 2021	14.57
Changes in equity share capital during the year	1.70
Balance as at March 31, 2022	**16.27**

B.Other Equity

Description	Reserve and Surplus						Items of OCI			Money Received against share warrants	Total Equity
	General Reserve	Securities Premium	Capital Redemption Reserve	Amalgamation adjustment Account	Retained Earnings	Total reserves and surplus	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges	Total items of OCI		
Balance as at April 1, 2020	185.89	98.20	12.73	(0.20)	(121.57)	175.05	(9.28)	(2.79)	(12.07)	8.33	171.31
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2020	185.89	98.20	12.73	(0.20)	(121.57)	175.05	(9.28)	(2.79)	(12.07)	8.33	171.31
Profit/(loss) for the year	-	-	-	-	(61.14)	(61.14)	-	-	-	-	(61.14)
Other comprehensive income/(loss) for the year	-	-	-	-	5.58	5.58	(6.05)	6.22	0.17	-	5.75
Income tax on OCI Items	-	-	-	-	(0.08)	(0.08)	-	(1.50)	(1.50)	-	(1.58)
Contribution by and distribution to owners											
Money received against share warrants	-	-	-	-	-	-	-	-	-	1.67	1.67
Premium on preferential issue of equity shares	-	51.31	-	-	-	51.31	-	-	-	-	51.31
Balance as at March 31, 2021	185.89	149.51	12.73	(0.20)	(177.21)	170.72	(15.33)	1.93	(13.40)	10.00	167.32
Balance as at April 1, 2021	185.89	149.51	12.73	(0.20)	(177.21)	170.72	(15.33)	1.93	(13.40)	10.00	167.32
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at March 31, 2021	185.89	149.51	12.73	(0.20)	(177.21)	170.72	(15.33)	1.93	(13.40)	10.00	167.32
Profit/(loss) for the year	-	-	-	-	10.66	10.66	-	-	-	-	10.66
Other comprehensive income/(loss) for the year	-	-	-	-	0.55	0.55	6.97	(1.93)	5.04	-	5.59
Income tax on OCI Items	-	-	-	-	(0.01)	(0.01)	-	-	-	-	(0.01)
Contribution by and distribution to owners											
Money utilised on exercise of share warrants	-	-	-	-	-	-	-	-	-	(10.00)	(10.00)
Premium on preferential issue of equity shares	-	38.31	-	-	-	38.31	-	-	-	-	38.31
Balance as at March 31, 2022	185.89	187.82	12.73	(0.20)	(166.01)	220.23	(8.36)	(0.00)	(8.36)	-	211.87

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report attached
For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

S Sethuraman
Partner
Membership no: 203491

Chennai
May 20, 2022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2022

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

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A.	**Cash flow from operating activities**		
	Profit/(Loss) for the year	10.66	(61.14)
	Adjustments for :		
	Income tax expense	14.87	5.67
	Finance costs	20.57	27.04
	Interest income	(0.45)	(0.37)
	Net gain on disposal of property, plant and equipment	(0.17)	(0.11)
	Government grant income	(21.64)	(1.68)
	Unrealised exchange loss/(gain)	3.97	(10.82)
	Provision for doubtful trade receivables and advances (net of write back)	1.38	3.48
	Depreciation and amortisation of non-current assets	81.01	66.12
		110.20	**28.19**
	Movements in working capital :		
	(Increase) / decrease in trade receivables	(83.08)	(82.07)
	(Increase) / decrease in inventories	(48.15)	(2.72)
	(Increase) / decrease in other non current financial assets	9.68	(5.97)
	(Increase) / decrease in other current financial assets	1.39	(0.72)
	(Increase) / decrease in other current / non current assets	(20.06)	(1.60)
	(Increase) / decrease in loans receivable	(0.32)	0.01
	Increase / (decrease) in trade payables	27.51	99.14
	Increase / (decrease) in long term provisions	0.30	(2.01)
	Increase / (decrease) in short term provisions	(5.56)	(5.98)
	Increase / (decrease) in other current / non current financial liabilities	10.15	15.76
	Increase / (decrease) in other non current liabilities	1.45	7.93
	Increase / (decrease) in other current liabilities	5.40	5.27
	Cash generated from operations	**8.91**	**55.23**
	Income Tax paid	(14.56)	(9.32)
	Net cash (used in) / generated by operating activities	**(5.65)**	**45.91**
B.	**Cash flow from investing activities**		
	Interest received	0.41	0.34
	Investments in unquoted equity shares	(0.86)	-
	Purchase consideration for acquisition of business (Refer Note : 42)	(23.19)	-
	Payments for property, plant and equipment	(100.34)	(80.59)
	Proceeds from disposal of property, plant and equipment	0.29	0.25
	Bank balances not considered as cash and cash equivalents	0.02	0.03
	Net cash (used in) / generated by investing activities	**(123.67)**	**(79.97)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from issue of equity shares	1.70	2.02
Proceeds from share premium on equity shares	28.30	51.31
Money received against share warrant	-	1.67
Proceeds from long term borrowings	170.61	80.50
Repayment of long term borrowings	(65.39)	(101.92)
Proceeds from short term borrowings	1,058.54	286.31
Repayment of short term borrowings	(1,032.32)	(274.74)
Interest paid	(25.09)	(22.20)
Payment of lease liabilities	(2.04)	(1.89)
Net cash (used in)/ generated by financing activities	**134.31**	**21.06**
Net increase/ (decrease) in cash and cash equivalents	**4.99**	**(13.00)**
Cash and cash equivalents at the beginning of the year (Refer note 12)	5.30	18.30
Cash and Cash equivalents at the end of the year (Refer note 12)	**10.29**	**5.30**

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Summary of significant accounting policies, critical judgements and Key estimates

1 General Information

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

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

The Company acquired Precision Die Casting Inc. (PDC) in USA in February 2016 and renamed it as Rane Precision Die Casting Inc. (Rane Light Metal Castings Inc. w.e.f June 4, 2020) which is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. This investment is held by Rane (Madras) International Holdings, B.V, Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS') formed to hold strategic overseas investments of the Company.

Statement of Compliance

The consolidated financial statements have been prepared in in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, as amended from time to time. The Group has consistently applied accounting policies to all periods.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated. The financial statements are for the Group consisting of Rane (Madras) Limited and its subsidiaries ("the Group").

1.1 Basis of preparation and presentation

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

Items	Measurement basis
Certain financial assets and liabilities (including forward contracts)	Fair value
Investments	Fair value
Defined benefit liability / plan assets	Present value of defined benefit obligation / plan assets

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.

Basis of consolidation

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 recognised 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 recognised 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The principal accounting policies are set out below :

1.2 Property, plant and equipment

Property, plant and equipment are capitalised at costs relating to the acquisition and installation (net of GST credits wherever applicable) and include finance cost on borrowed funds attributable to acquisition of qualifying fixed assets for the period up to the date when the asset is ready for its intended use, and adjustments arising from foreign exchange differences arising on foreign currency borrowings to the extent they are regarded as an adjustment to interest costs. Other incidental expenditure attributable to bringing the fixed assets to their working condition for intended use are capitalised. For qualifying assets, borrowing costs are capitalised in accordance with Ind AS 23 - Borrowing costs.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use. Property, plant and equipment are subsequently measured at cost less depreciation and impairment loss.

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 April 1, 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

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

Estimated useful lives of the assets are as follows:

Category of assets	Management estimate of useful Life (in years)	Useful life as per Schedule II (in years)
Buildings (other than factory building)	60 Years	60 Years
Factory buildings	30 Years	30 Years
Plant and equipment	3-15 Years	15 years
Moulds	3-4 Years	8 years
Vehicles	4-5 Years	6 years
Furniture and fixtures	5 Years	10 years
Office equipment (other than computers)	3 Years	5 years
Computers, Server and networks	3-6 Years	3-6 years

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

of the asset and is recognised in the statement of profit and loss.

1.3 Intangible assets

Goodwill

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

Other Intangible assets

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Category of assets	Useful Life (in years)
Software License	3 years
Customer Contract	4 years

1.4 Impairment of tangible and intangible assets including goodwill

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into Cash-Generating Units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not subsequently reversed. In respect of other assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.5 Borrowings and Borrowing costs

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

Borrowing costs 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 acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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

1.6 Leasing

The Group's lease asset classes primarily consist of leases for land, buildings and vehicles. 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 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 in the country of domicile of these leases. 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 in the Balance Sheet and lease payments have been classified as financing cash flows.

1.7 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.

1.8 Cash and cash equivalents

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

1.9 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

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 based on the available information.

1.10 Foreign currency transactions and translations

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for qualifying cash flow hedges to the extent that the hedges are effective.

(iii) Foreign operations

The assets and liabilities of foreign operations (i.e. 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.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

1.11 Revenue Recognition

The Group derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic prodicts, Die casting products & other auto components. 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 are recognised when the performance obligations that are satisfied over a period of time.

1.12 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 is recognised in profit or loss on the date on which the Group's right to receive payment is established.

1.13 Government grants

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

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

Government grants that are receivable as compensation for expenses or losses already incurred or for the

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.14 Employee benefits

(i) Short - Term employee benefits

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

(ii) Defined Contribution Plans

Provident Fund

The Group's defined contribution plans comprise of contrubution to provident fund and National Pension Scheme in India and contribution to 401k plan and savings plan in the United States. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined Benefit Plan

The Group's defined benefit plans comprise of gratuity plan in India and pension plan in the United States. 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 separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iv) Other Long term employee benefits

Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. 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.

1.15 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.

1.16 Research and Development expenses

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

Items of property, plant and equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

1.17 Provisions and Contingent Liabilities

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

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

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

Provisions for Warranty

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

1.18 Taxation

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences except for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries 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.

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

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

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

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Group is able

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

1.19 Financial instruments

i. Recognition and initial measurement

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.

ii. Classification and subsequent measurement

Financial assets

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

- amortised cost;
- Fair Value Through Other Comprehensive Income (FVOCI); or
- FVTPL

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.

On initial recognition of an equity investment that is not held for trading, the Group has irrevocably elected 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 has irrevocably designated 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;

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

v. Derivative financial instruments and hedge accounting

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is 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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

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 and debt securities at FVOCI 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 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, which are measured as 12 month expected credit losses.

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).

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.

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.

Financial and Corporate guarantee contracts

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

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

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

1.20 Fair Value

A number of the Group's accounting policies and disclosures require 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).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

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.

1.21 Earnings Per Share

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

Diluted earnings per share is computed by dividing the profit/loss after tax (including the post tax effect of exceptional items, if any) for the period attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

1.22 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.

1.23 Segment reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) 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.

1.24 Use of estimates and critical accounting judgements

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

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

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

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

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

Actual results may differ from these judgments and estimates.

Assumptions and estimation uncertainties

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

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

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, etc.

The Group has considered the possible effects that may result from the continued effect of the pandemic on the carrying amounts of assets (net of impairment losses),

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

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

1.25 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022, as below:

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 Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

For items produced during testing/trial phase, clarification added that revenue generated out of the same shall not be recognised in statement of profit and loss and considered as part of cost of property, plant and equipment. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

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. The amendment is essentially a clarification and the Group 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 Group does not expect the amendment to have any significant impact in its financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Freehold land	26.07	26.07
Lease hold improvements	4.13	4.17
Buildings	76.01	74.64
Plant and equipment	350.20	292.52
Furniture and fixtures	1.05	0.81
Office equipment	2.74	2.78
Vehicles	0.25	0.20
	460.45	401.19
Capital work-in-progress	18.39	31.14
Total	478.84	432.33

Gross Block

Particulars	Freehold land	Lease hold land Improvement	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Balance as at April 1, 2020	26.07	2.50	90.27	473.40	3.88	14.05	0.76	610.93
Additions	-	3.02	1.07	88.39	0.15	0.63	-	93.26
Disposals	-	-	-	(0.34)	-	-	-	(0.34)
Effect of foreign currency exchange differences	-	(0.06)	-	(2.14)	-	-	-	(2.20)
Balance as at March 31, 2021	26.07	5.46	91.34	559.31	4.03	14.68	0.76	701.65
Acquisition through business combination (Refer Note 42)	-	-	-	16.34	0.14	0.17	0.12	16.77
Additions	-	0.26	5.24	110.95	0.44	1.51	0.05	118.45
Disposals	-	-	-	(1.01)	-	(0.01)	-	(1.02)
Effect of foreign currency exchange differences	-	0.16	-	4.34	-	0.09	-	4.59
Balance as at March 31, 2022	26.07	5.88	96.58	689.93	4.61	16.44	0.93	840.44

Accumulated depreciation

Particulars	Freehold land	Lease hold land Improvement	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Balance as at April 1, 2020	-	1.02	13.04	211.45	2.65	9.43	0.47	238.06
Depreciation expense	-	-	-	(0.19)	-	-	-	(0.19)
Effect of foreign currency exchange differences	-	0.30	3.66	56.73	0.57	2.51	0.10	63.87
Disposals	-	(0.03)	-	(1.20)	-	(0.05)	-	(1.28)
Balance as at March 31, 2021	-	1.29	16.70	266.79	3.22	11.89	0.57	300.46
Disposals		-	-	(0.99)	-	(0.01)	-	(1.00)
Depreciation expense		0.42	3.87	72.00	0.34	1.75	0.11	78.49
Effect of foreign currency exchange differences	-	0.04	-	1.93	-	0.07	-	2.04
Balance as at March 31, 2022	-	1.75	20.57	339.73	3.56	13.70	0.68	379.99
Carrying amount as at March 31, 2021	26.07	4.17	74.64	292.52	0.81	2.79	0.19	401.19
Carrying amount as at March 31, 2022	26.07	4.13	76.01	350.20	1.05	2.74	0.25	460.45

Notes

1) Refer note 17 for assets pledged as securities for borrowings
2) Refer note 40A for capital commitments

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Capital work in progress

During the year ended March 31, 2022, the Group commenced installation of new plant and machinery; costs incurred up to the reporting date totaled to INR 18.29 crores (March 31, 2021: 31.14 crores) Such amounts include capitalised borrowing costs

Capitalised borrowing costs related to the installation of plant and machinery amounted to Nil as at March 31, 2022 (March 31, 2021: INR 1.76 crores, with a capitalisation rate of 3.3 percent).

Movement in capital work in progress is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
As at the beginning of the year	31.14	49.83
Additions / (Capitalisations)	(12.75)	(18.69)
As at the end of the year	18.39	31.14

Ageing details:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	17.71	0.04	0.64	-	18.39
Projects temporarily suspended				-	-
Total	17.71	0.04	0.64	-	18.39
As at March 31, 2021					
Projects in progress	18.64	12.50	-	-	31.14
Projects temporarily suspended	-	-	-	-	-
Total	18.64	12.50	-	-	31.14

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 :

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress					
Capacity enhancement project	5.55	-	-	-	5.55
Others	0.55	-	-	-	0.55
Projects temporarily suspended	-	-	-	-	-
Total	6.10	-	-	-	6.10
As at March 31, 2021					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Impairment assessment

The Group tested the assets relating to the Group's entity in the United States of America (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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

in percent	As at March 31, 2022	As at March 31, 2021
Discount rate	8.20% to 9.20%	7.80% to 8.80%
Terminal value growth rate	2.50%	2.50%
Revenue 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 Right of use assets

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Right of use assets	8.06	9.25
Total	**8.06**	**9.25**

Particulars	Land	Buildings	Vehicles	Plant and Machinery	Office equipment	Others	Total
Cost							
Balance as at April 1, 2020	2.20	0.88	1.29	14.45	1.12	0.18	20.12
Recognition of right of use assets on account of transition to IndAS 116	3.16	0.96	-	2.02	0.66	-	6.80
Additions	-	-	-	-	-	-	-
Disposals	-	-	(0.41)	(14.25)	(0.07)	-	(14.73)
Effect of foreign currency exchange differences	-	-	-	(0.20)	(0.19)	-	(0.39)
Balance as at March 31, 2021	5.36	1.84	0.88	2.02	1.52	0.18	11.80
Additions	-	0.14	-	0.41	-	-	0.55
Disposals	-	(0.69)	-	-	-	-	(0.69)
Effect of foreign currency exchange differences	-	-	-	0.05	0.04	-	0.09
Balance as at March 31, 2022	5.36	1.28	0.88	2.48	1.56	0.18	11.74

Accumulated depreciation

Particulars	Land	Buildings	Vehicles	Plant and Machinery	Office equipment	Others	Total
Balance as at April 1, 2020	0.09	0.40	0.34	13.96	0.75	0.04	15.58
Depreciation expense	0.20	0.43	0.33	0.52	0.37	0.02	1.87
Transfer from Property, Plant and Equipment	-	-	(0.21)	(14.38)	(0.07)	-	(14.66)
Effect of foreign currency exchange differences	-	-	-	0.28	(0.52)	-	(0.24)
Balance as at March 31, 2021	0.29	0.83	0.46	0.38	0.53	0.06	2.55
Depreciation expense	0.20	0.52	0.16	0.53	0.37	0.02	1.80
Disposals	-	(0.69)	-	-	-	-	(0.69)
Effect of foreign currency exchange differences	-	-	-	0.01	0.02	-	0.03
Balance as at March 31, 2022	0.49	0.66	0.62	0.92	0.92	0.08	3.69
Carrying amount as at March 31, 2021	5.07	1.01	0.42	1.64	0.99	0.12	9.25
Carrying amount as at March 31, 2022	4.87	0.63	0.26	1.56	0.64	0.10	8.06

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

4 Goodwill

Particulars	As at March 31, 2022	As at March 31, 2021
Cost	4.63	4.06
Impairment loss for the year	-	-
Total	**4.63**	**4.06**

Particulars	Goodwill
Cost	
Balance as at April 1, 2020	**4.06**
Additions	-
Disposals	-
Balance as at March 31, 2021	**4.06**
Acquisition through business combination (Refer Note 45)	0.57
Additions	-
Disposals	-
Balance as at March 31, 2022	**4.63**
Accumulated amortisation	
Balance as at April 1, 2020	-
Amortisation expense	-
Disposals	-
Balance as at March 31, 2021	-
Amortisation expense	-
Disposals	-
Balance as at March 31, 2022	-
Carrying amount as at March 31, 2021	**4.06**
Carrying amount as at March 31, 2022	**4.63**

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to the identified cash-generating units - Light Metal Castings India

Goodwill relates to the following cash generating units

CGU	As at March 31, 2022	As at March 31, 2021
Light Metal Casting India (LMCI)	4.06	4.06
Others	0.57	-

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

Key assumptions used for value-in-use calculations

4.1 In respect of LMCI:

Value in use has been determined by discounting the future cash flows generated from the continuing use of the unit. The calculation of the value in use is based on the following key assumptions:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	9.77%	12.77%
Terminal value growth rate	3.00%	3.00%
Budgeted revenue growth rate	20.94%	20.72%

The discount rate is a pre-tax measure based on the rate of 10 year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

Five years of cash flows have been included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the growth rate estimated by management.

Based on the assessment, management has concluded that there is no impairment for Goodwill. Further, application of sensitivities over the above assumptions would not result in an impairment loss as at the year end.

5 Other Intangible Assets

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Software Licence	0.89	0.28
Customer Contract	3.29	-
Total	**4.18**	**0.28**

Particulars	Software Licence	Customer Contract
Cost		
Balance as at April 1, 2020	3.74	-
Additions	0.07	-
Disposals	-	-
Balance as at March 31, 2021	3.81	-
Additions	0.93	
Acquisition through business combination (Refer Note 42)	0.02	3.67
Disposals	-	-
Balance as at March 31, 2022	4.76	3.67
Accumulated amortisation		
Balance as at April 1, 2020	3.15	-
Amortisation expense for the year	0.38	-
Disposals	-	-
Balance as at March 31, 2021	3.53	-
Amortisation expense for the year	0.34	0.38
Disposals	-	-
Balance as at March 31, 2022	3.87	0.38
Carrying amount as at March 31, 2021	0.28	-
Carrying amount as at March 31, 2022	0.89	3.29

6 Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Investments in equity instruments (fully paid-up) (Unquoted) At FVTPL		
Capsol Energy Private Limited		
Capsol Energy Private Limited		
(6,00,000 (March 31, 2021: 6,00,000) number of equity shares @ ₹ 10 each)	0.60	0.60
Shree MTK Textiles Private limited		
(2700 (March 31, 2021: Nil) number of equity shares @ ₹ 100 each)	0.86	-
Total Non-Current Investments	**1.46**	**0.60**
Aggregate carrying value of unquoted investments	1.46	0.60
Aggregate amount of impairment in value of investments	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

7 Other Financial Assets

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Security deposits	7.39	7.16	1.17	-
Insurance claims	-	9.01	-	-
Claims receivable	-	-	1.41	0.58
Margin money deposits (Refer note below)	1.51	2.16	0.11	0.12
Interest receivable	-	-	1.32	0.48
Tooling related receivables	32.25	36.99	-	-
Derivative assets	5.47	1.91	2.56	0.45
Export entitlement receivable	-	-	0.56	5.34
Total	**46.62**	**57.23**	**7.13**	**6.97**

Note:

Margin money with banks includes restricted cash deposits provided as collateral for bank guarantees and borrowings.

The Company's exposure to credit risk and market risk are disclosed in note 33

8 Income Tax assets (Net)

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	16.61	14.46
Less: Current tax payable for the year	(14.72)	(7.18)
Add: Taxes paid	14.56	9.33
Closing Balance	**16.45**	**16.61**

9 Other Assets

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured and considered good unless otherwise stated :				
Capital advances	9.32	13.85	-	-
Advances paid to suppliers	-	-	18.89	17.38
Advances to employees	-	-	0.13	0.12
Balance with statutory authorities	-	-	20.57	11.21
Deposit with government authorities	6.40	8.46	-	-
Assets relating to employee benefits (Gratuity) (Refer Note 36)	-	-	0.15	-
Export entitlement receivable	-	-	4.65	-
Prepaid expenses	4.51	3.38	7.92	5.61
Others	6.28	4.04	4.50	3.89
Total	**26.51**	**29.73**	**56.81**	**38.21**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
(At lower of cost and net realisable value)		
Raw materials	51.11	41.10
Work-in-progress	31.15	24.67
Finished goods	90.46	49.13
Stores and spares	31.19	31.15
Goods in transit (Finished Goods)	7.03	13.11
Total	**210.94**	**159.16**

During the year ended March 31, 2022, the Company recorded inventory write-down expenses of INR 3.52 crores. (March 31, 2021: INR 3.07 crores)

The mode of valuation of inventories has been stated in note 1.7

For the carrying value of inventories pledged as securities for borrowings, refer note 17

11 Trade Receivables

Particulars	As at March 31, 2022	As at March 31, 2021
From Related parties		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2.29	2.48
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Sub Total	**2.29**	**2.48**
From Others		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	357.74	271.47
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Sub Total	**357.74**	**271.47**
Less: Loss allowance (expected credit loss allowance)	(4.92)	(3.86)
Total	**355.11**	**270.09**

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.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	3.86	2.15
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.39	2.21
Foreign exchange adjustment	(0.33)	(0.05)
Bad debts written off/written back	-	(0.45)
Balance at the end of the year	**4.92**	**3.86**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

As at March 31, 2022

Particulars	Outstanding for following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
(i) Considered good	279.26	69.49	0.64	0.47	1.07	-	350.93
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	9.10
Total	279.26	69.49	0.64	0.47	1.07	-	360.03

As at March 31, 2021

Particulars	Outstanding for following periods from the due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables							
(i) Considered good	209.98	53.13	1.04	0.53	0.33	0.36	265.37
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	8.58
Total	209.98	53.13	1.04	0.53	0.33	0.36	273.95

Ageing has been determined based on due date of payment. Where there is no due date for payment, date of transaction has been considered.

12 Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks (including deposits with original maturity up to 3 months)		
(i) In Current account	10.41	4.94
(ii) In EEFC account	1.84	1.99
Cash on hand	0.04	0.20
Total	12.29	7.13

Note: The Company's exposure to credit risk and market risk are disclosed in note 33.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents as above	12.29	7.13
Add: Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.54)	(0.03)
Bank overdraft availed for cash management purposes	(1.46)	(1.80)
Total	10.29	5.30

13 Other bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in earmarked accounts		
In Unclaimed Dividend account	0.13	0.15
Total	0.13	0.15

14 Loans

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Loans receivable considered good - Unsecured		
- Loans to employees	0.71	0.34
Total	0.71	0.34

Note: The Company's exposure to credit risk and market risk are disclosed in note 33.

15 Equity Share Capital

Particulars	As at March 31, 2022	As at March 31, 2021
Authorised :		
Equity Shares:		
2,50,00,000 (March 31, 2021 : 2,50,00,000) equity shares of ₹10 each	25.00	25.00
Preference shares:		
1,05,00,000 (March 31, 2021: 1,05,00,000) preference shares of ₹10 each	10.50	10.50
Issued, Subscribed and Fully Paid Up		
1,62,65,267 (March 31, 2021: 1,45,65,309) equity shares of ₹10 each fully paid-up	16.27	14.57
1,62,65,267 fully paid equity shares of ₹10 each (as at March 31, 2021 : 1,45,65,309 fully paid equity shares of ₹10 each)	16.27	14.57

15.1 Movement in Equity Share Capital

Particulars	2021-22		2020-21	
	No of Shares	Amount (₹)	No of Shares	Amount (₹)
Equity Shares of ₹10 each fully paid up				
At the beginning of the year	1,45,65,309	14.57	1,25,53,891	12.55
Allotment of shares under preferential issue	16,99,958	1.70	20,11,418	2.01
At the end of the year	1,62,65,267	16.27	1,45,65,309	14.57

Rights, preferences and restrictions attached to Shares mentioned above :

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Additions during the year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment

15.2 Shares of the Company held by holding company

Name of the Share holder	No of shares held as at			
	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Rane Holdings Ltd.	1,16,72,774	71.77%	99,72,816	68.47%

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

Name of the Share holder	No of shares held as at			
	March 31, 2022		March 31, 2021	
	Nos.	%	Nos.	%
Rane Holdings Ltd.	1,16,72,774	71.77%	99,72,816	68.47%

15.4 Information regarding issue of shares in the last five years

(a) The Company has not issued any shares without payment being received in cash.

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares.

15.5 Shares held by promoters at the end of the year

Promoter Name	March 31, 2022		March 31, 2021		Change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of Shares	% of total shares
Rane Holdings Limited	1,16,72,774	71.77%	99,72,816	68.47%	16,99,958	3.30%
Shanthi Narayan	24,775	0.15%	24,775	0.17%	-	(0.02)%
Raman T G G	28,000	0.17%	28,000	0.19%	-	(0.02)%
Rathika R Sundaresan	20,000	0.12%	20,000	0.14%	-	(0.02)%
Chitra Sundaresan	12,604	0.08%	12,604	0.09%	-	(0.01)%
Geetha Raman Subramanyam	12,000	0.07%	12,000	0.08%	-	(0.01)%
Ranjini R Iyer	12,000	0.07%	12,000	0.08%	-	(0.01)%
Aditya Ganesh	8,483	0.05%	8,483	0.06%	-	(0.01)%
Aparna Ganesh	7,851	0.05%	7,851	0.05%	-	(0.01)%
Vanaja Aghoram	5,010	0.03%	5,010	0.03%	-	0.00%
Malavika Lakshman	4,866	0.03%	4,866	0.03%	-	0.00%
Rama R Krishnan	4,193	0.03%	4,193	0.03%	-	0.00%
Rekha Sundar	1,060	0.01%	1,060	0.01%	-	0.00%
Meenakshi Ganesh (jointly with L Ganesh)	839	0.01%	839	0.01%	-	0.00%
Harish Lakshman	750	0.00%	750	0.01%	-	0.01%
Vinay Lakshman	750	0.00%	750	0.01%	-	0.01%
Total promoter shareholding	**1,18,15,955**	**72.65%**	**1,01,15,997**	**69.45%**	**16,99,958**	**3.19%**

16 Other Equity

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	185.89	185.89
Securities Premium	187.82	149.51
Amalgamation adjustment account	(0.20)	(0.20)
Capital redemption reserve	12.73	12.73
Money Received against Share warrant	-	10.00
Retained Earnings	(166.01)	(177.21)
Foreign Currency translation reserve	(8.36)	(15.33)
Cash flow hedging reserve	-	1.93
Total	**211.87**	**167.32**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve		
Opening balance	185.89	185.89
Add :Addition during the year	-	-
Closing balance	**185.89**	**185.89**

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

Particulars	As at March 31, 2022	As at March 31, 2021
Securities Premium		
Opening balance	149.51	98.20
Add :Addition during the year	38.31	51.31
Closing balance	**187.82**	**149.51**

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of The Companies Act, 2013 (the "Companies Act").

Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

Particulars	As at March 31, 2022	As at March 31, 2021
Amalgamation Adjustment account		
Opening balance	(0.20)	(0.20)
Add: Addition during the year	-	-
Closing balance	**(0.20)**	**(0.20)**

At the time of business combination under common control, amalgamation adjustment reserve of transferor becomes the amalgamation adjustment reserve of transferee Company. The Company established this reserve at the time of busniess combinations made in the earlier years.

Particulars	As at March 31, 2022	As at March 31, 2021
Capital Redemption Reserve		
Opening balance	12.73	12.73
Add :Addition during the year	-	-
Closing balance	**12.73**	**12.73**

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 Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

Particulars	As at March 31, 2022	As at March 31, 2021
Money Received against Share warrant		
Opening balance	10.00	8.33
Add :Additions/(Deletions) during the year	(10.00)	1.67
Closing balance	**-**	**10.00**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Amounts received against share warrants that are pending to be allotted as at the balance sheet date are disclosed as 'Money received against share warrants.'

The closing balance represents monies received from Rane Holdings Limited (Holding company) on account of Preferential issue of share warrants that were allotted. The terms of share warrants are such that the 25% of purchase price is to be paid upfront on warrant issue and allotment and the balance 75% is to be paid at the time of conversion of shares warrants to equity shares. These warrants are convertible into equity shares of the Company within a period of 18 months from the date of allotment of warrant.

During the year ended March 31, 2022, the Company has received ₹ 30 crores from Rane Holdings Limited as warrant exercise price towards conversion of the outstanding 16,99,958 warrants issued on preferential basis and has allotted equivalent equity shares of ₹ 10 each fully paid up on August 12, 2021 to the extent of 8,49,979 shares and on January 11, 2022 to the extent of 8,49,979 shares. Consequently, the issued and paid up capital stands increased by 16,99,958 equity shares of ₹10/- each fully paid-up.

The details of the movement in money received against share warrants during the current year is set out below:

Particulars	No. of warrants	Amount in INR crores
Opening balance	**16,99,958**	**10.00**
Changes in share warrants during the year 2021-22		
Warrant money received towards exercise of warrants issued during year 2021-22	16,99,958	30.00
Less: Transfer to share capital and premium upon warrant conversion during the year 2021-22 in respect of warrants issued during the year 2020-21		(40.00)
Closing balance	-	-

Particulars	As at March 31, 2022	As at March 31, 2021
Retained Earnings		
Balance at the beginning of the year	(177.21)	(121.57)
Profit/(Loss) attributable to equity shareholders of the company	10.66	(61.14)
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	0.54	5.50
Transfer to General Reserve	-	-
Payment of dividends on equity shares	-	-
Balance at the end of the year	**(166.01)**	**(177.21)**

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

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 INR 3.51 crores as at March 31, 2022 (March 31, 2021: INR 4.05 crores)

The board has not declared dividend for the year ended March 31, 2022 and March 31, 2021.

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign Currency Translation reserve		
Balance at the beginning of the year	(15.33)	(9.28)
Add :Addition during the year	6.96	(6.05)
Balance at the end of the year	**(8.37)**	**(15.33)**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Particulars	As at March 31, 2022	As at March 31, 2021
Hedging Reserve		
Balance at the beginning of the year	1.93	(4.29)
Gains / (loss) on hedging instruments in a cash flow hedge	(1.93)	6.22
Total	-	**1.93**
Balance at the beginning of the year	-	1.50
Income tax relating to gain/loss recognised on cash flow hedges	-	(1.50)
(Gain) / loss reclassified to profit or loss	-	-
Income tax relating to gain/loss reclassified to profit or loss	-	-
Balance at the end of the year	-	**1.93**

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.

As at March 31, 2022 and March 31, 2021, the Group did not have any foreign currency forward contracts which are designated as hedge instruments and hence all gains and losses in respect of such contracts have been recorded in the statement of profit and loss.

17A Non-current borrowings

Particulars	Non-current		Current Maturities (Refer Note 18)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured - at amortised cost				
Term Loans				
- from banks	45.33	28.96	16.00	0.42
Sub Total	45.33	**28.96**	16.00	**0.42**
Secured - at amortised cost				
Term Loans				
- from banks	189.16	160.39	52.67	61.17
Working capital loan				
- from banks	-	-	-	36.77
Sub Total	189.16	**160.39**	52.67	**98.36**
Total	234.49	**189.35**	68.67	**98.36**

Summary of borrowing arrangements

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 Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

The terms of repayment of term loans are given below

As at March 31, 2022

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	0.92	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	5.82	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	8.98	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	39.00	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	30.98	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	63.75	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	92.38	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period
Total	241.83	
Unsecured		
Axis Bank - INR Long Term Loan	61.33	Repayable in 48 equal monthly Instalments commencing from February 2022 with 1 year of moratorium period

The interest rate for INR loans range from 6.03% p.a to 6.50% p.a; The interest rate for USD loans range from LIBOR (6 months) + 230 bps p.a to LIBOR (6 months) + 250 bps p.a.

As at March 31, 2021

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	2.64	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	5.05	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	5.32	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of Moratorium period
HDFC Bank - INR Long Term Loan	12.49	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	12.72	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	85.00	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	11.76	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	3.67	Repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	82.91	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Working Capital Loan (USD)	36.77	Repayable within one year
Total	258.33	
Unsecured		
Axis Bank - INR Long Term Loan	10.00	Repayable in 48 equal monthly Instalments commencing from March 2022 with 1 year of moratorium period
Paycheck Protection Program Loan	19.38	

The interest rate for INR loans range from 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) + 375 bps p.a.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

The Company had availed the moratorium announced by RBI vide notification dated March 27, 2020 and May 23, 2020 as part of COVID-19 regulatory package consequent to which Term Loan principal repayment from April 2020 to August 2020 had been rescheduled.

Breach of covenants relating to loan arrangements

There is no breach of covenants relating to loan arrangement with banks.

17B Current Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured - at amortised cost		
Loans from banks	54.56	28.81
Secured - at amortised cost*		
Loans from banks	218.28	143.80
Current maturities of long-term borrowings	68.67	98.36
Total	**341.51**	**270.97**

*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.

* 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.

17C Reconciliation of movements of liabilities to cash flows arising from financing activities

Particulars	Liabilities		
	Short-term borrowings	Long-term borrowings (including current maturities)	Lease liabilities
Balance as at April 1, 2020	196.66	273.38	4.80
Changes from financing cash flows			
Proceeds from long term borrowings	-	80.50	-
Repayment of long term borrowings	-	(101.92)	-
Proceeds from short term borrowings	286.31	-	-
Repayment of short term borrowings	(274.74)	-	-
Payment of lease liabilities	-	-	(1.89)
Other changes			
New leases	-	-	5.72
Others	39.65	-	-
Interest expense	26.23	-	0.81
Interest paid	(22.20)	-	-
Impact of foreign exchage rate differences	-	-	-
Balance as at March 31, 2021	**172.61**	**287.71**	**9.44**
Changes from financing cash flows			
Proceeds from long term borrowings	-	170.61	-
Repayment of long term borrowings	-	(65.39)	-
Proceeds from short term borrowings	1,058.54	-	-
Repayment of short term borrowings	(1,032.32)	-	-
Payment of lease liabilities	-	-	(2.04)
Other changes			
New leases	-	-	0.55
Others	80.29	(89.77)	-
Interest expense	18.81	-	0.83
Interest paid	(25.09)	-	-
Impact of foreign exchage rate differences	-	-	(0.02)
Balance as at March 31, 2022	**272.84**	**303.16**	**8.76**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for leave encashment	7.01	5.89	0.72	0.91
Provision for Gratuity (refer note 36)	-	-		1.03
Provision for Pension plan (refer note 36)	13.26	13.69	-	-
Provision for Warranty	-	-	4.35	8.62
Total	20.27	19.58	5.07	10.56

(i) **Information about individual provisions and significant estimates**

Provision for leave encashment

The provision for leave encashment includes annual leave accrued.

Provision for Warranty

Refer Note 1.17

(ii) **Movements in provisions**

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

Particulars	Provision for leave encashment	Provision for Warranty
As at April 1, 2020	**7.33**	**5.42**
Charged/(credited) to profit or loss	1.30	3.42
Amounts utilised during the year	(1.83)	(0.22)
As at March 31, 2021	**6.80**	**8.62**
Charged/(credited) to profit or loss	3.42	5.27
Amounts utilised during the year	(2.49)	(9.54)
As at March 31, 2022	**7.73**	**4.35**

19 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Deferred income	1.64	0.91	0.93	1.82
Statutory dues	-	-	9.82	7.59
Tooling advance received from customers	11.55	10.08	6.14	6.83
Advances from Customers	-	-	-	0.01
Total	13.19	10.99	16.89	16.25

20 Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security Deposits	1.10	0.42
Interest accrued but not due on borrowings	0.95	0.84
Unclaimed dividends	0.13	0.15
Payable to employees	16.02	10.00
Commission payable to Chairman	1.07	0.39
Payables on purchase of fixed assets	2.46	0.97
Others^	18.54	14.62
Total	40.27	27.39

^ Comprises of dealer incentives and royalty payable amounting to INR 11.47 crores and INR 3.05 crores respectively as at March 31, 2022.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

21 Deferred tax balances

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

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities(net)	(1.93)	(1.77)
Total	**(1.93)**	**(1.77)**

Movements in Deferred Tax Liabilities

Particulars	Provision for employee benefit expense	Depreciation	Cash flow hedge reserve	Others^	Total
As at April 1, 2020	8.02	(17.97)	1.50	6.76	(1.69)
Charged/(Credited)					
- to profit & loss	(4.63)	8.63	-	(2.50)	1.50
- to other comprehensive income	(0.08)	-	(1.50)	-	(1.58)
As at March 31, 2021	**3.31**	**(9.34)**	**-**	**4.26**	**(1.77)**
Charged/(Credited)					
- to profit & loss	0.01	1.73	-	(1.89)	(0.15)
- to other comprehensive income	(0.01)	-	-	-	(0.01)
As at March 31, 2022	**3.31**	**(7.61)**	**-**	**2.37**	**(1.93)**

^ Includes deferred taxes in respect of derivative assets, provision for warranty, provision for bad and doubtful debts and provision for inventories.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following tax losses, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom

Particulars	As at March 31, 2022		As at March 31, 2021	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses	223.91	60.46	198.63	53.63

22 Trade Payables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables-Micro and Small enterprises	2.18	4.81
Trade payables - Related Parties	7.20	6.69
Trade payables-Others	309.97	282.45
Total	**319.35**	**293.95**

Micro, Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of confirmations from such parties collected by the Management till date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

As at March 31, 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	-	2.18	-	-	-	-	2.18
(ii) Others	102.60	154.11	1.66	1.58	1.08	2.30	263.33
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	102.60	**156.29**	**1.66**	**1.58**	**1.08**	**2.30**	**265.51**
Unbilled							53.84
Total							**319.35**

As at March 31, 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	2.74	2.07	-	-	-	-	4.81
(ii) Others	119.01	137.90	10.05	(3.53)	1.04	1.77	266.24
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	121.75	**139.97**	**10.05**	**(3.53)**	**1.04**	**1.77**	**271.05**
Unbilled							22.90
Total							**293.95**

23 Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sales of Products	1,711.74	1,241.94
Other operating revenues		
- Scrap sales	21.85	11.97
- Sale of raw materials	-	5.35
- Job charges	0.05	-
- Export Entitlements	8.28	8.13
Total	1,741.92	1,267.39

Reconciliation of revenue from sale of products

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Gross revenues	1,736.32	1,261.71
Less: Customer discounts	(24.58)	(19.77)
Net revenues from sale of products	1,711.74	1,241.94

23.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point in time by geography and offerings of the Group.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Revenue by Geography		
India	1212.71	849.61
USA	308.30	220.08
Others	190.73	172.25
Total revenue from contracts with customers	**1,711.74**	**1,241.94**
Revenue by offerings		
Manufactured goods		
Steering and Suspension Linkage Products, Steering Gear Products and Hydraulic Products	1,334.73	990.00
Diecasting products	310.45	198.74
Other Auto components	66.56	53.20
Total revenue from contracts with customers	**1,711.74**	**1,241.94**

23.2 Trade receivables

The Group classifies the right to consideration in exchange for goods transferred as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognised when the Group satisfies the performance obligation by transferring the promised goods to the customers.

Trade receivable are presented net of impairment in the Balance Sheet.

23.3 Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Receivables, included under trade receivables	355.11	270.09
Contract liabilities included under advance from customers	-	0.01

The contract liabilities primarily relate to the advance consideration received from customers for manufacturing of products.

The amount of INR 0.01 crores included in contract liabilities as at March 31, 2021 has been recognised as revenue for the year ended March 31, 2022 (March 31, 2021: INR 0.99 crores).

24 Other Income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.38	0.37
-- On Supplier payments	0.08	0.11
Net gain on foreign currency transactions	-	3.93
Net Gain on disposal of property, plant and equipment	0.17	0.11
Other non-operating income		
-- Government Grant Income	4.15	1.68
-- Other non-operating Income	0.94	0.67
Total	5.72	6.87

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

25 Cost of Materials consumed

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock	41.10	36.57
Add: Purchases (Including raw material acquired through business combination of ₹ 1.84 crores (Refer Note 42)	1,067.10	716.27
Less: Closing stock	(51.11)	(41.10)
Raw materials and Components consumed *	1,057.09	711.74
Freight inward	18.81	16.06
Job work expenses	56.19	42.78
Total	**1,132.09**	**770.58**
* includes cost of raw materials and components sold	-	4.81

26 Changes in inventories of finished goods and work-in-progress

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening Stock:		
Work-in-process	24.67	18.62
Finished goods	62.24	70.71
Closing Stock:		
Work-in-process	31.15	24.67
Finished goods	97.49	62.24
(Increase)/Decrease in inventories	**(41.73)**	**2.42**

27 Employee Benefit Expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Bonus	219.56	182.14
Contribution to		
Provident and Other Funds (Refer Note 36)	24.07	22.70
Superannuation Fund	0.56	0.57
National Pension Scheme	0.17	0.13
Savings plan (Refer Note 36A)	1.08	1.14
Pension plan (Refer Note 36A)	0.97	1.23
Gratuity Fund (Refer Note 36)	1.64	2.06
Staff Welfare Expenses	13.74	9.56
Total	**261.79**	**219.53**

28 Finance Cost

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest costs:		
Interest on bank overdrafts and loans	16.80	24.86
Other Borrowing costs	2.01	1.37
Interest on lease liabilities (Refer Note 39)	0.83	0.81
	19.64	**27.04**

29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment (Note 2)	78.49	63.87
Depreciation on right of use asset (Note 3)	1.80	1.87
Amortisation of intangible assets (Note 5)	0.72	0.38
Total	**81.01**	**66.12**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

30 Other Expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Power and Fuel	51.13	39.79
Rent expense	2.48	1.04
Travelling and Conveyance	6.30	4.31
Repairs and Maintenance		
- Buildings	3.71	2.64
- Plant and Machinery	30.18	22.27
- Others	3.18	3.03
Insurance	10.89	12.14
Rates and Taxes	2.61	2.60
Auditors' Remuneration	0.52	0.50
Directors' Sitting Fees	0.24	0.02
Professional Charges	15.18	11.97
Impairment loss on financial assets	1.39	2.21
Bad debts written off	-	1.27
Printing and Stationery	1.25	1.08
Consumption of stores and spares	68.34	49.83
Packing materials consumed	49.35	38.01
Royalty and Technical Fees	0.39	0.06
Information Systems	6.71	5.58
Commission to Chairman	1.07	0.39
Freight Outward and Storage charges	38.66	28.76
Advertisement and Sales Promotion	1.08	0.65
Sales Commission	0.25	0.69
Product Warranty	5.27	3.42
Trade Mark fee	7.66	5.41
Postage and Telecom expenses	1.02	1.00
Bank Charges	0.96	0.63
Corporate Social Resoponsibility Expenditure	0.72	0.99
Net loss/(gain) on foreign currency transactions	1.06	-
Miscellaneous Expenses	4.42	3.75
	316.02	244.04

Note: The above expenditure includes contribution to Rane Foundations of ₹0.56 crores (March 31, 2021: 0.58 crores), over which the Company has significant influence (also refer note 35)

31 Tax Expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income taxes		
Income tax recognised in profit or loss		
Current tax		
In respect of current year	14.72	7.18
	14.72	7.18
Deferred tax		
In respect of current year	0.15	(1.51)
	0.15	(1.51)
Total income tax expense recognised in profit or loss	14.87	5.67

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income taxes		
Income tax recognised in other comprehensive income		
Deferred tax		
In respect of current year	0.01	1.58
Total income tax expense /(gain) recognised in other comprehensive income	**0.01**	**1.58**

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before tax	25.53	(55.47)
Tax using the Company's domestic tax rate	6.43	(13.96)
Differences in tax rates in foreign jurisdictions and impact of unrecognised deferred tax assets	6.53	18.37
Tax incentives	-	(0.07)
Non deductible expense	1.81	0.35
Tax exempt income	(0.55)	(0.48)
Deductions under Chapter VI A	(0.09)	(0.13)
Impact of change in tax rates & effects of taxes relating to earlier years	0.74	1.59
Income Tax expense recognised in profit or loss	**14.87**	**5.67**

During the previous year March 31, 2021. the Company has opted for lower corporate tax rate available under section 115BAA of the Income-tax Act,1961 as introduced by Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has re-measured its deferred tax liabilites.

The tax rate used for the 2021-22 and 2020-21 tax computation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

32 Exceptional items:

The Company's subsidiary in the 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 (INR 19.45 crores). 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 (INR 27.26 crores). The aggregate amount of such relief has been recorded as exceptional income for the year ended March 31, 2022.

33 Financial Instruments

33.1 Capital management

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

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

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Group monitors the capital structure on the basis of debt to equity of the Group.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

The table below summarises the net debt to equity ratio of the Group.

Particulars	As at March 31, 2022	As at March 31, 2021
Debt *	576.00	460.32
Cash and bank balances	12.42	7.28
Net debt	563.58	453.04
Total Equity**	228.14	181.89
Net debt to equity ratio	**2.47**	**2.49**

*Debt is defined as long-term and short-term borrowings.

** Equity includes all capital and reserves of the Group.

33.2 Fair Value Measurement

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 March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Loans	-	-	0.71	-	-	0.34
Investments	1.46	-	-	0.60	-	-
Trade Receivables	-	-	355.11	-	-	270.09
Cash and Cash Equivalents	-	-	12.29	-	-	7.13
Bank balances other than above	-	-	0.13	-	-	0.15
Other Financial assets	-	-	45.72		-	61.84
Derivative assets	8.03	-	-	2.36	-	-
Total Financial Assets	**9.49**	**-**	**413.96**	**2.96**	**-**	**339.55**
Financial Liabilities						
Borrowings	-	-	576.00	-	-	558.68
Trade Payables	-	-	319.35	-	-	293.95
Lease Liabilities	-	-	8.76	-	-	-
Other Financial liabilities	-	-	40.27	-	-	27.39
Total Financial Liabilities	**-**	**-**	**944.38**	**-**	**-**	**880.02**

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

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

Particulars	As at March 31, 2022	As at March 31, 2021	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Derivative financial assets				
Derivative assets	8.03	2.96	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	8.03	2.96		

Note: Fair value information relating to investment in equity securities are not presented as these are not material to the financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

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

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

33.3 Financial risk management objectives

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

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

(a) Market Risk

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

Foreign Currency risk management

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	In ₹ (Crores)	In Foreign Currency (Crores)	In ₹ (Crores)	In Foreign Currency (Crores)
	Receivable/(Payable)	Receivable/ (Payable)	Receivable/(Payable)	Receivable/(Payable)
Financial Assets				
USD				
Trade Receivable	99.33	1.31	63.67	0.87
Bank balances	1.77	0.02	1.98	0.03
EUR				
Trade Receivable	12.70	0.15	10.51	0.12
Bank Balances	0.08	0.00	0.01	0.00
Sub Total	113.88		76.17	

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	In ₹ (Crores)	In Foreign Currency (Crores)	In ₹ (Crores)	In Foreign Currency (Crores)
	Receivable/(Payable)	Receivable/ (Payable)	Receivable/(Payable)	Receivable/(Payable)
Financial Liabilities				
USD				
Loans from banks	(62.47)	(0.83)	-	-
Trade Payable	(4.05)	(0.05)	(1.38)	(0.02)
EUR				
Loans from banks	(12.25)	(0.15)	-	-
Trade Payable	(0.43)	(0.01)	(0.69)	(0.01)
SGD				
Trade Payable	(0.07)	-	-	-
Sub Total	(79.27)		(2.07)	
Net Balance	34.61		74.10	

Foreign Currency sensitivity analysis

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

Particulars	Currency USD impact		Currency EUR impact		Currency SGD impact	
	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores	₹ in Crores
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Impact on profit or loss for the year						
- Increase by 5%	1.76	3.25	8.49	5.74	-	-
- Decrease by 5%	(1.76)	(3.25)	(8.49)	(5.74)	-	-
Impact on other components of equity as at the end of the reporting period						
- Increase by 5%	-	-	-	-	-	-
- Decrease by 5%	-	-	-	-	-	-

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

Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign currency forward 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. 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Foreign currency (In Crores)	In ₹ (In Crores)	Foreign currency (In Crores)	In ₹ (In Crores)
Derivatives designated as cash flow hedges				
Forward Contracts				
In USD	1.96	154.96	1.09	82.25
In Euro	0.17	14.66	0.14	13.02
Total		169.62		95.27

The foreign exchange forward and options contracts mature within 24 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 March 31, 2022	As at March 31, 2021
Not later than 1 month	1.52	-
Later than 1 month but not later than 3 months	44.25	17.85
Later than 3 month up to 6 months	33.05	19.16
Later than 6 months but not later than 1 year	42.77	58.26
Later than 1 year	48.03	-
Total	169.62	95.27

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

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

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

As at March 31, 2022, the Company did not have any foreign currency forward contracts which are designated as hedge instruments and hence all gains and losses in respect of such contracts have been recorded in the statement of profit and loss.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2022 is as follows :

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1.93	(2.79)
Gain/loss recognised in other comprehensive income during the period	(1.93)	6.22
Tax impact on above	-	(1.50)
Balance at the end of the year	-	1.93

Interest rate risk

The Group adopts appropriate policies to ensure that the interest rate risk exposure is minimised. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

(b) Credit risk management

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

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

The estimated gross carrying amount at default is Nil (March 31, 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.

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

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

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.

(c) **Liquidity risk management**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

Liquidity risk

The following information provides details of the Group's remaining contractual maturity for its financial liabilities 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 and includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2022

Particulars	Less than 1 year	1-5 year	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	363.43	242.65	8.71	614.79	576.00
Trade Payables	319.35	-	-	319.35	319.35
Lease liability	2.19	3.41	11.31	16.91	8.76
Other Financial liabilities	40.27	-	-	40.27	40.27
Total	**725.24**	**246.06**	**20.02**	**991.32**	**944.38**

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021

Particulars	Less than 1 year	1-5 year	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	380.03	197.15	-	577.18	558.68
Trade Payables	293.95	-	-	293.95	293.95
Lease liability	2.10	4.75	11.83	18.68	-
Other Financial liabilities	27.39	-	-	27.39	27.39
Total	**703.47**	**201.90**	**11.83**	**917.20**	**880.02**

The Group has secured bank loans that contain loan covenants. A future breach of covenants may require the Group to repay the loans earlier than indicated in the above table.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

34 Segment Reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) 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. 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.

34.1 Product wise break up - Please refer note no. 23.1

34.2 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 March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	1,236.46	873.54	399.62	354.70
USA	314.73	221.60	122.60	120.95
Rest of the world	190.73	172.25	-	-
Total	1,741.92	1,267.39	522.22	475.65

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

** Non- current assets are used in the operations of the Group to generate revenues both in India and outside India. Non-current assets exclude financial instruments, income tax assets and deferred tax assets.

34.3 Information about major customers

The Group is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Cylinder, Die casting products and other auto components for transportation industry.

The Group has three major customers (greater than 10% of total sales) and revenue from sale of auto components to these major customers aggregated to ₹ 530.29 crores (March 31, 2021- ₹ 357.04 crores).

35 Related Party Disclosures

(a)	List of related parties where control exists	
	Holding Company	Rane Holdings Limited (RHL)
	Other related parties where transaction has taken place	
(b)	Key Management Personnel	L Ganesh, Chairman
		Harish Lakshman, Vice Chairman
		Gowri Kailasam - Manager & President (W.e.f 21st January 2020)
(c)	Relative of KMP	L Lakshman
		Aditya Ganesh
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
(e)	Fellow Subsidiaries	Rane Engine Valve Limited (REVL)
		Rane Holdings America Inc. (RHAI)
		Rane Brake Lining Limited (RBL)
		Rane Holdings Europe GmbH (RHEG)
		Rane t4u Private Limited
(f)	Joint ventures of the Holding company	ZF Rane Automotive India Private Limited(Formerly known as Rane TRW Steering Systems Private Limited(RTSS))(ZRAI)
		Rane NSK Steering Systems Private Limited(RNSS)
(g)	Post employment benefit plan of the entity	Rane Madras Employee Gratuity Fund (RMEGF)
		Rane Madras Employee Senior Executives Pension Fund (RMESEPF)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

Details of related party transactions and balances :

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Transaction during the year																
Sales													-	-		
Sales-ZRAI	-	-	-	-	-	-	-	-	-	-	13.19	7.67	-	-	13.19	7.67
Other Income																
Testing charges - ZRAI	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	0.12	-
Purchases																
Purchases RBL	-	-	-	-	-	-	-	-	2.70	1.82	-	-	-	-	2.70	1.82
Purchases REVL	-	-	-	-	-	-	-	-	2.36	1.49			-	-	2.36	1.49
Purchases-ZRAI	-	-	-	-	-	-	-	-	-	-	1.97	1.92	-	-	1.97	1.92
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	30.82	17.69	-	-	30.82	17.69
Purchase of Machinery-ZRAI	-	-	-	-	-	-	-	-	-	-	1.00	0.97	-	-	1.00	0.97
Purchase of PPE kits, masks-ZRAI	-	-	-	-	-	-	-	-	-	-	0.05	0.05	-	-	0.05	0.05
Expenses																
Professional Charges	4.39	3.63	-	-	-	-	-	-	-	-	-	-	-	-	4.39	3.63
Software Expenses	4.14	3.49	-	-	-	-	-	-	-	-	-	-	-	-	4.14	3.49
Training Expenses	0.46	0.37	-	-	-	-	-	-	-	-	-	-	-	-	0.46	0.37
Trademark Fee	7.66	5.41	-	-	-	-	-	-	-	-	-	-	-	-	7.66	5.41
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	2.59	1.80	-	-	-	-	2.59	1.80
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	0.49	0.44	-	-	-	-	0.49	0.44
Donation-Rane Foundation	-	-	-	-	-	-	0.56	0.58	-	-	-	-	-	-	0.56	0.58
Miscellaneous Expenses	0.46	0.41	-	-	-	-	-	-	-	-	-	-	-	-	0.46	0.41
Reimbursement of Expenses to RHAI	-	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	0.12
Reimbursement of expenses to RHL	0.03	0.01	-	-	-	-	-	-	-	-	-	-	-	-	0.03	0.01
Reimbursement of expenses from RHL	-	0.07	-	-	-	-	-	-	-	-	-	-	-	-	-	0.07
Reimbursement of Expenses from REVL	-	-	-	-	-	-	-	-	0.07	0.01	-	-	-	-	0.07	0.01
Reimbursement of Expenses to RBL	-	-	-	-	-	-	-	-	0.34	0.05	-	-	-	-	0.34	0.05
Reimbursement of Expenses from ZRAI	-	-	-	-	-	-	-	-	-	-	0.08	0.11	-	-	0.08	0.11

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Capital Expenditure																
Upgradation of SAP HANA Licence Fee	0.54	-	-	-	-	-	-	-	-	-	-	-	-	-	0.54	-
Loans, investments and guarantees																
Preferential Issue of Equity shares	30.00	53.32	-	-	-	-	-	-	-	-	-	-			30.00	53.32
Subscription of Convertible warrants	-	1.67	-	-	-	-	-	-	-	-	-	-	-	-	-	1.67
Contributions to post employment benefit plan																
Contributions to RMEGF	-	-	-	-	-	-	-	-	-	-	-	-	2.90	10.92	2.90	10.92
Contributions to RMESEPF	-	-	-	-	-	-	-	-	-	-	-	-	0.58	0.57	0.58	0.57
Remuneration to KMP																
Commission to Chairman	-	-	1.07	0.39	-	-	-	-	-	-	-	-			1.07	0.39
Salaries - Ms. Gowri Kailasam	-	-	1.17	1.19	-	-	-	-	-	-	-	-			1.17	1.19
Salaries - Mr. Aditya Ganesh	-	-	-	-	0.59	0.57	-	-	-	-	-	-			0.59	0.57
Sitting Fees	-	-	0.07	0.01	0.01	-	-	-	-	-	-	-			0.08	0.01

Details of Related Party balances:

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Balance as at year end 31, March			-						-		-					
Payables																
RHL	1.05	1.80	-	-	-	-	-	-	-	-	-	-			1.05	1.80
Mr L Ganesh	-	-	1.07	0.39	-	-	-	-	-	-	-	-			1.07	0.39
REVL	-	-	-	-	-	-	-	-	0.10	0.08	-	-			0.10	0.08
RBL	-	-	-	-	-	-	-	-	0.62	0.39	-	-			0.62	0.39
RHAI	-	-	-	-	-	-	-	-	0.19	0.49	-	-			0.19	0.49
RHEG	-	-	-	-	-	-	-	-	-	-					-	-
ZRAI	-	-	-	-	-	-	-	-	-	-	0.57	0.71			0.57	0.71
RNSS	-	-	-	-	-	-	-	-	-	-	4.68	3.22			4.68	3.22

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Receivables									-		-					
REVL	-	-	-	-	-	-	-	-	0.02		-				0.02	-
RHAI	-	-	-	-	-	-	-	-	-	0.01	-	-			-	0.01
RHEG	-	-	-	-	-	-	-	-	0.05	0.01	-	-			0.05	0.01
ZRAI	-	-	-	-	-	-	-	-	-	-	2.22	2.46			2.22	2.46
Money received against share warrants - RHL	-	10.00	-	-	-	-	-	-	-	-	-	-			-	10.00

Remuneration to Key Management personnel

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Short term benefits paid	2.16	1.50
Post employment benefits	-	-
Other Long term benefits paid	0.08	.08
Termination Benefits	-	-
Total	2.24	1.58

Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

36 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 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 Group has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Group contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Group does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹6.39 Crores (for the year ended March 31, 2021: ₹6.08 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2022, contributions of ₹1.14 Crores (as at March 31, 2021: ₹0.91 Crores) due in respect to 2021-22 (2020-21) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The defined benefit plan comprises of the Company's gratuity plan. The defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
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.

C. Details of defined benefit obligation and plan assets:

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

(i) **Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening defined benefit obligation	22.41	21.68
Current Service Cost	1.67	1.75
Provision assumed on account of business combination (Refer note 42)	0.12	-
Interest cost	1.50	1.37
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	0.48	(0.63)
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(1.13)	(1.76)
Closing defined benefit obligation	**25.05**	**22.41**

(ii) **Movements in the fair value of the plan assets**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening fair value of plan assets	21.38	11.47
Interest income	1.53	1.06
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.53	(0.30)
Contributions from the Employer	2.90	10.92
Benefits paid	(1.14)	(1.77)
Closing fair value of plan assets	**25.20**	**21.38**

(iii) **The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :**

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of funded defined benefit obligation	25.05	22.41
Fair value of plan assets	25.20	21.38
Funded status	**(0.15)**	**1.03**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**(0.15)**	**1.03**
Current	**(0.15)**	**1.03**
Non current	**-**	**-**

(iv) **Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Service Cost :		
Current Service cost	1.67	1.75
Net interest Expense	(0.03)	0.31
Components of defined benefit costs recognised in profit or loss	**1.64**	**2.06**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.48	(0.63)
Actuarial (gains) / losses arising from changes in financial assumptions	(0.53)	0.31
Actuarial (gains) / losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	**(0.05)**	**(0.32)**
Total	**1.59**	**1.74**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

(All amounts are in Crores in INR 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.

(v) Risk Exposure

The Group has invested the plan assets with the insurer managed funds. The insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits.

(vi) **The principal assumptions used for the purposes of the actuarial valuations were as follows.**

Particulars	Valuation as at	
	March 31, 2022	March 31, 2021
Discount Rate(s)	7.32%	6.88%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Attrition Rate		
Executives and Staff	4.70%	6.00%
Operators	1.27%	3.00%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rates. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

Change in assumption	Valuation as at	
	March 31, 2022	March 31, 2021
A. Discount Rate + 50 BP	7.82%	7.38%
Defined Benefit Obligation	24.01	21.52
Current Service Cost	1.84	1.70
B. Discount Rate - 50 BP	6.8%	6.4%
Defined Benefit Obligation	26.16	23.34
Current Service Cost	2.05	1.89
C. Salary Escalation Rate +50 BP	8.5% pa and 6.5% pa	8.5% & 6.5%
Defined Benefit Obligation	26.17	23.36
Current Service Cost	2.05	1.89
D. Salary Escalation Rate -50 BP	7.5% pa and 5.5% pa	7.5% & 5.5%
Defined Benefit Obligation	23.98	21.50
Current Service Cost	1.83	1.70
E. Attrition Rate +50 BP	5.20% pa and 1.77% pa	6.5% & 3.5%
Defined Benefit Obligation	25.10	22.41
Current Service Cost	1.93	1.80
F. Attrition Rate -50 BP	4.20% pa and 0.77%pa	5.5% & 2.5%
Defined Benefit Obligation	24.99	22.39
Current Service Cost	1.94	1.79

The sensitivity analysis presented above may not be representative of the actual change in the defined

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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 9.4 years (2021-8.8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Year 1	1.38	1.55
Year 2	3.46	2.77
Year 3	1.44	1.84
Year 4	2.83	1.55
Year 5	2.33	2.96
Next 5 Years	12.14	10.48

36A In respect of subsidiary Rane Light Metal Castings 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 ₹1.08 Crores (for the year ended March 31, 2021: ₹1.14 Crores) 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 October 10, 2005; plus
- $24:00 multiplied by years of benefit service from October 2005 to October 9, 2006; plus
- $25:00 multiplied by years of benefit service from October 9, 2006, to October 8, 2007; plus
- $26:00 multiplied by years of benefit service from October 5, 2007 to December 16, 2010; plus
- $16:00 multiplied by benefit service after December 16, 2010.

Disability benefit:

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

Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year. The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. 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 Castings Inc. is exposed to various risks in providing the above gratuity benefit which are as follows:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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.

Demographic Risk : Rane Light Metal Castings 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.

Particulars	Pension (Funded)	
	2021-22	2020-21
Present Value of obligations at the beginning of the year	48.92	**50.14**
Current service cost	0.54	0.60
Interest Cost	1.53	1.51
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	0.35	(0.47)
- Actuarial gains and losses arising from financial assumptions	(2.75)	(0.24)
Benefits paid	(1.55)	(1.37)
Foreign currency translation adjustment	1.43	(1.25)
Present Value of obligations at the end of the year	**48.47**	**48.92**
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	35.23	**28.92**
Interest Income	1.10	0.87
Contributions from the employer	1.29	3.06
Benefits Paid	(1.55)	(1.38)
Return on Plan Assets, Excluding Interest Income	(1.90)	4.55
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	1.03	(0.79)
Fair Value of plan assets at the end of the year	**35.21**	**35.23**
Amounts recognized in the Balance Sheet	(13.26)	**(13.68)**
Projected benefit obligation at the end of the year	(48.47)	(48.92)
Fair value of plan assets at end of the year	35.21	35.23
Funded status of the plans – Liability recognised in the balance sheet	(13.26)	**(13.68)**
Current	-	-
Non Current	(13.26)	**(13.68)**
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.54	0.60
Net Interest Expense	0.43	0.64
Past service cost	-	-
Net Cost in Profit or Loss	**0.97**	**1.23**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	(2.40)	(0.70)
Return on plan assets	1.90	(4.55)
Net Income / (Cost) in Other Comprehensive Income	(0.50)	**(5.25)**

Assumptions	As at March 31, 2022	As at March 31, 2021
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%
Rate of Employee Turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

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	As at March 31, 2022	As at March 31, 2021
Projected Benefit Obligation on Current Assumptions	**48.47**	**48.92**
Delta Effect of +0.5% Change in Rate of Discounting	(3.29)	(3.66)
Delta Effect of -0.5% Change in Rate of Discounting	3.68	4.12

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	As at March 31, 2022	As at March 31, 2021
Year 1	1.88	1.67
Year 2	1.89	1.77
Year 3	1.98	1.85
Year 4	2.05	1.97
Year 5	2.15	2.04
Next 5 Years	11.89	11.48

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

37 Earnings per Share:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Basic Earnings per share	6.97	(47.66)
Diluted Earnings per share	6.97	(47.66)

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) for the year	10.66	**(61.14)**
Earnings used in the calculation of basic earnings per share	**10.66**	**(61.14)**

In Nos.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Number of equity Shares of ₹ 10 each outstanding at the end of the year	1,62,65,267	1,45,65,309
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,52,91,866	1,28,28,167

Diluted Earnings per share

The earnings used in the calculation of diluted earnings per share is as follows.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Earnings used in the calculation of basic earnings per share	10.66	(61.14)
Earnings used in the calculation of diluted earnings per share	10.66	(61.14)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

In Nos.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Weighted average number of equity shares used in the calculation of basic earnings per share	1,52,91,866	1,28,28,167
Convertible warrants	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,52,91,866	1,28,28,167

Share warrants that are outstanding as at March 31, 2021 were not considered in the calculation of diluted earnings per share, as their effect was anti-dilutive.

38 Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) The Company has not advanced or loaned funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

a) 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

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries other than in the ordinary course of business.

(iv) The Company has not received any fund from any persons or entities, including foreign entities other than those disclosed above with the understanding that the Company shall:

a) 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

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) 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).

(vi) The Group has no transactions with struck off companies during the year.

(vii) Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.

(viii) The Group has not been declared as wilful defaulters by any bank or financial institution or government or any government authority.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

(ix) Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital loans with banks or financial institutions along with reconciliation and reasons for discrepancies is as follows:

Quarter	Name of banks	Particulars of Securities Provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-21	Kotak Mahindra Bank	Sales	295.10	301.91	(6.81)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	200.44	154.04	46.40	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited ICICI Bank Standard chartered Bank	Trade receivables	214.15	223.53	(9.38)	Unbilled revenues not considered in quarterly returns/ statements.
Sep-21	Kotak Mahindra Bank	Sales	700.24	716.93	(16.69)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	229.64	170.51	59.13	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited ICICI Bank Standard chartered Bank	Trade receivables	270.89	289.10	(18.21)	Unbilled revenues not considered in quarterly returns/ statements. Also inter-unit receivables considered in quarterly returns have been eliminated in the books of account.
Dec-21	Kotak Mahindra Bank	Sales	1,081.57	1,099.82	(18.25)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	237.12	177.99	59.13	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited ICICI Bank Standard chartered Bank	Trade receivables	246.40	248.23	(1.83)	Unbilled revenues not considered in quarterly returns/ statements. Also inter-unit receivables considered in quarterly returns have been eliminated in the books of account.
Mar-22	Kotak Mahindra Bank	Sales	1,532.18	1,545.78	(13.60)	Ind AS 115 adjustments not considered in quarterly returns/ statements.
		Trade payables	231.52	181.07	50.45	Bills of acceptance not considered in quarterly returns/ statements.
	RBL Bank Limited Kotak Mahindra Bank HDFC Bank DBS Bank India Limited ICICI Bank Standard chartered Bank	Trade receivables	313.17	301.64	11.53	Reclassification adjustments not considered in quarterly returns/ statements.

Notes:

1. Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission except as at March 31, 2022.
2. Quarterly information requirements for individual banks may be different for similar line items.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

39 Leases

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	1.65	1.46
Non-current lease liabilities	7.11	7.98
Total	8.76	9.44

B. Movement in Lease liabilities:

The following is the movement in lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	9.44	4.80
Additions	0.55	5.99
Finance costs accrued during the period	0.83	0.81
Deletions	-	(0.19)
Payment of Lease liabilities	(2.04)	(1.89)
Effects of Foreign exchange	(0.02)	(0.08)
Closing balance	8.76	9.44

C. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2022	As at March 31, 2021
Less than one year	2.19	2.10
One to five years	3.41	4.75
More than five years	11.31	11.83
Total	16.91	18.68

D. Amounts recognized in profit or loss

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on lease liabilities	0.83	0.81
Variable lease payments not included in the lease payment liabilities	-	-
Income from sub-leasing right of use assets	-	-
Expenses relating to short- term leases	2.48	1.04
Expenses relating to leases of low- value assets,excluding short term leases of low value assets.	-	-
	2.71	

E. Amounts recognized/disclosed in cash flow statement

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Total cash outflows for leases	2.04	1.89

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

40 Contingent Liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Contingent Liabilities		
Claims against the Group not acknowledged as debt		
- Income Tax matters under appeal	18.52	16.05
- Central Excise, Service Tax and Sales tax matters under appeal	8.88	8.43
- Labour related matters under appeal	4.64	3.69
Total	32.04	28.17

40A Guarantees and Commitment

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees and Letter of credit		
-Outstanding bank guarantees	1.56	5.38
-Letter of credit	-	4.75
Commitments		
-Estimated amount of contracts remaining to be executed on capital account and not provided for	15.88	33.20

41 Events after the reporting date

The Group has evaluated subsequent events from the balance sheet date through May 20, 2022, the date on which the consolidated financial statements were authorised for issue, and determined that there are no items to disclose.

42 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 INR 23.19 Crores 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.

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	23.19
Total consideration for business combination	23.19

B. **Identifiable assets acquired and liabilities assumed**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
as at and for the year ended March 31, 2022

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

The following table summarises the recognised amount of assets acquired and liabilities assumed on the date of acquisition:

Particulars	Amount
Property, plant and equipment	16.77
Intangible assets	0.02
Intangible assets - Customer contract	3.67
Inventories	3.06
Other financial assets	1.24
Other current assets	0.35
Provisions	(0.12)
Trade payables	(2.37)
Total net identifiable assets acquired	**22.62**

C. Goodwill

Particulars	Amount
Consideration transferred	23.19
Fair value of net identifiable assets	22.62
Goodwill	**0.57**

43 Interest in other entities

Subsidiaries

The Group's subsidiaries at March 31, 2022 and March 31, 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business/ Country of Incorporation	Ownership Interest held by the group		Ownership interest held by non-controlling interests		Principal Activities
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	
Rane (Madras) International Holdings B.V (RMIH)	Netherlands	100%	100%	0%	0%	Strategic overseas investment
Rane Light Metal Castings Inc.	USA	100%	100%	0%	0%	Manufacture of High pressure aluminium die casting

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

as at and for the year ended March 31, 2022

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

44 Additional Information required by Schedule III

Name of the entity in the Group	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Rane (Madras) Limited								
As at March 31, 2022	164%	374.93	343%	36.61	1%	0.04	658%	36.65
As at March 31, 2021	169%	308.27	83%	(50.69)	73%	3.03	-1143%	(47.66)
Subsidiaries								
Rane (Madras) International Holdings B.V (RMIH)								
As at March 31, 2022	-43%	(97.06)	-13%	(1.36)	111%	6.20	87%	4.84
As at March 31, 2021	-56%	(101.75)	53%	(32.22)	-140%	(5.84)	-913%	(38.06)
Rane Light Metal Castings Inc.								
As at March 31, 2022	11%	25.28	-224%	(23.93)	-13%	(0.74)	-443%	(24.67)
As at March 31, 2021	-4%	(7.86)	123%	(75.43)	169%	7.04	-1640%	(68.39)
Consolidation adjustments								
As at March 31, 2022	-33%	(75.01)	-6%	(0.66)	0%	-	-12%	(0.66)
As at March 31, 2021	-9%	(16.77)	-159%	97.20	0%	-	2331%	97.20
Total								
As at March 31, 2022	100%	228.14	100%	10.66	99%	5.57	290%	16.23
As at March 31, 2021	100%	181.89	100%	(61.14)	101%	4.17	-1365%	(56.97)

45 Prior year comparatives

Prior year figures have been reclassified wherever necessary to conform to current year's classification

46 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 20, 2022.

In terms of our report 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

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

S Sethuraman
Partner
Membership no: 203491

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 20, 2022

Chennai
May 20, 2022

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

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

(₹ in Crores
USD in Lakhs
EUR in Lakhs)

S.No	Particulars	1		2	
1	Name of the subsidiary	Rane (Madras) International Holdings, B.V		Rane Light Metal Castings Inc.	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	EUR 1EUR= Rs 84.50		USD 1USD= Rs 75.72	
		EUR	INR	USD	INR
4	Share capital	0.20	0.15	0.00	0.00
5	Reserves & surplus	(114.86)	(97.06)	34.65	25.28
6	Total assets	204.57	172.86	275.99	208.98
7	Total Liabilities	319.25	269.77	241.34	183.70
8	Investments	204.36	172.68	-	-
9	Turnover (including other Income)	-	-	315.44	186.93
10	Profit before taxation	(1.57)	(1.36)	(32.11)	(23.92)
11	Provision for taxation	-	-	-	-
12	Profit after taxation	(1.57)	(1.36)	(32.11)	(23.92)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Chairman
DIN:00012583

Harish Lakshman
Vice Chairman
DIN:00012602

Gowri Kailasam
Manager

Place : Chennai
Date : May 20, 2022

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Rane (Madras) Limited
CIN: L65993TN2004PLC052856
“Maithri”, 132, Cathedral Road,
Chennai-600086, India
Phone: +91 44 28112472 / 73
www.ranegroup.com