



# Independent Auditor's Report

Board of Directors  
Rane Precision Die Casting Inc.

We have audited the accompanying financial statements of Rane Precision Die Casting Inc. (the "Company") which comprise the balance sheets as at March 31, 2019 and March 31, 2018 and the related statements of loss, stockholder's (deficit) equity, and cash flows for the years then ended, and the related notes to the financial statements.

## **Management's responsibility for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2019 and March 31, 2018 and the results of its operations, stockholder's (deficit) equity and the cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

KNAV P.A.

Atlanta, Georgia  
May 07, 2019

Rane Precision Die Casting Inc.  
Balance sheets as on March 31, 2019 and March 31, 2018

S.No	Particulars	Note No.	(In Rs.)	
			As at March 31, 2019	As at March 31, 2018
<b>A. ASSETS</b>				
<b>Non-Current Assets</b>				
	(a) Property, plant and equipment	2	421,795,983	416,651,715
	(b) Capital Work In Progress	2	34,927,183	22,047,342
	(c) Financial Assets			
	(i) Other financial assets	3	17,922,694	19,795,388
	(d) Other Non Current Assets	4	70,000,934	44,769,836
	<b>Total non-current assets</b>		<b>544,646,794</b>	<b>503,264,280</b>
<b>Current Assets</b>				
	(a) Inventories	5	170,799,013	167,726,493
	(b) Financial Assets			
	(i) Investments			
	(ii) Trade Receivables	7	248,289,466	320,985,543
	(ii) Cash and Cash Equivalents	6	21,226,848	3,221,919
	(c) Current tax assets (Net)	8	-	1,977,010
	(d) Other Current Assets	4	21,926,449	4,071,952
	<b>Total current assets</b>		<b>462,241,776</b>	<b>497,982,917</b>
	<b>TOTAL ASSETS</b>		<b>1,006,888,570</b>	<b>1,001,247,197</b>
<b>B. EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	(a) Equity Share Capital	9	6,834	6,834
	(b) Convertible non-participating preference capital		-	-
	(c) Other Equity	10	(57,566,586)	(38,544,118)
	<b>Total equity</b>		<b>(57,559,752)</b>	<b>(38,537,284)</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
	(a) Financial Liabilities			
	(i) Borrowings	11	69,179,978	97,755,000
	(b) Deferred Tax Liabilities (Net)	15	-	-
	(c) Other non-current liabilities	14	666,740	12,726,380
	<b>Total non-current liabilities</b>		<b>69,846,718</b>	<b>110,481,380</b>
<b>Current Liabilities</b>				
	(a) Financial Liabilities			
	(i) Borrowings	11	518,850,000	482,258,000
	(ii) Trade Payables	12	248,177,355	222,663,988
	(iii) Other financial liabilities	13	56,225,727	63,128,106
	(b) Other Current Liabilities	14	171,348,522	161,253,008
	<b>Total current liabilities</b>		<b>994,601,604</b>	<b>929,303,102</b>
	<b>Total Liabilities</b>		<b>1,064,448,322</b>	<b>1,039,784,482</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,006,888,570</b>	<b>1,001,247,198</b>

For KNAV P.A.  
Certified Public Accountants

Atul Deshmukh  
Atul Deshmukh  
Partner  
Licensed in Georgia

Place: Atlanta  
Date: May 07, 2019



For and on behalf of the Board of Directors of Rane Precision Die Casting Inc.

Harish Lakshman  
Director

Place:  
Date: May 07, 2019

Parthasarathy  
Director

Place:  
Date: May 07, 2019

D Madhusudhan  
Director

Place:  
Date: May 07, 2019

Brett Stevenson  
Brett Stevenson  
Director

Place:  
Date: May 07, 2019

K. Sagar  
Sagar Kota  
Financial controller &  
Secretary

Place:  
Date: May 07, 2019

FOR IDENTIFICATION PURPOSE

KNAV P.A.

**Rane Precision Die Casting Inc.**  
**Statements of loss for the years ended March 31, 2019 and March 31, 2018**

S.No	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from Operations (Net)	16	1,843,642,923	1,858,741,890
II	Other Income	17	9,399,435	1,930,440
III	<b>Total Income (I+II)</b>		<b>1,853,042,358</b>	<b>1,860,672,330</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed		655,298,099	587,744,152
	Purchases of Stock-In-Trade		-	-
	Changes in Inventories of finished goods, work-in-progress and stock in trade	10	(6,691,820)	(4,193,086)
	Excise duty on sale of goods		-	-
	Employee benefits expense	19	817,182,673	833,527,041
	Finance costs	20	38,950,596	28,429,379
	Depreciation and amortisation expense	21	129,214,089	115,396,149
	Impairment loss on financial assets		-	-
	Reversal of Impairment loss on financial assets		-	-
	Rectification Costs		-	-
	Other expenses	22	583,996,778	517,742,851
	<b>Total Expenses (IV)</b>		<b>2,217,950,415</b>	<b>2,078,846,486</b>
V	<b>Profit before tax (III-IV)</b>		<b>(364,908,057)</b>	<b>(217,974,156)</b>
VI	<b>Tax Expense:</b>			
	(1) Current Tax	23	920,634	(1,748,052)
	(2) Deferred Tax	23	-	(23,144,758)
	(3) Prior period deferred Tax		-	-
			<b>920,634</b>	<b>(24,892,810)</b>
VII	<b>Profit for the year from continuing operations(V-VI)</b>		<b>(365,828,691)</b>	<b>(193,081,346)</b>
VIII	Profit from discontinued operations before tax		-	-
IX	Tax expense of discontinued operations		-	-
X	<b>Profit from discontinued operations after tax (VIII-IX)</b>		<b>-</b>	<b>-</b>
XI	<b>Profit for the year (VII + X)</b>		<b>(365,828,691)</b>	<b>(193,081,346)</b>
	<b>Other Comprehensive Income</b>			
	A. 1) Items that will not be reclassified to profit or loss		-	-
	a) Exchange differences on translation of foreign operations		(1,571,982)	283,023
	b) Remeasurements of the defined benefit plans		21,127,295	10,479,075
XII	<b>Total other comprehensive income (A(1-1)) + B(1-1))</b>		<b>19,555,314</b>	<b>10,762,098</b>
XIII	<b>Total Comprehensive Income for the period (XI+XII)</b>		<b>(385,384,005)</b>	<b>(203,843,444)</b>
XIV	<b>Earnings Per Equity Share</b>			
	- For continuing operations			
	(a) Basic (In Rs.)	25	(3,853,840)	(2,038,554)
	(b) Diluted (In Rs.)	25	(3,853,840)	(2,038,554)

For KNAV P.A.  
 Certified Public Accountants

Atul Deshmukh  
 Atul Deshmukh  
 Partner  
 Licensed In Georgia

Place: Atlanta  
 Date: May 07, 2019



For and on behalf of the Board of Directors of Rane Precision Die Casting Inc.

*[Signature]*  
 Harish Lakshman  
 Director

*[Signature]*  
 S Parthasarathy  
 Director

*[Signature]*  
 D Madhusudhan  
 Director

Place:  
 Date: May 07, 2019

Place:  
 Date: May 07, 2019

Place:  
 Date: May 07, 2019

FOR IDENTIFICATION PURPOSE

KNAV P.A.

*[Signature]*  
 Brett Stevenson  
 Director

Place:  
 Date: May 07, 2019

*[Signature]*  
 K. Sagar  
 Sagar Kota  
 Financial controller &  
 Secretary  
 Place:  
 Date: May 07, 2019

Rane Precision Die Casting Inc.  
Cash flow statements for the years ended March 31, 2019 and March 31, 2018

(In Rs.)

	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
<b>A. Cash flow from operating activities</b>				
Profit for the year		(364,908,057)	-	(217,974,156)
Adjustments for :				
Finance costs recognised in profit or loss	38,950,596		28,429,379	-
(Gain) / Loss on disposal of property, plant and equipment	750,931		(15,490,682)	-
Depreciation and Amortisation of non-current assets (continuing and discontinued operations)	129,214,090		115,396,149	-
Provision for employee benefits (long term)	-	(195,992,441)	9,600,481	-
<b>Movements in working capital :</b>				
(Increase) / decrease in trade and other receivables	93,378,630		54,638,515	-
(Increase) / decrease in Inventories	7,320,982		(6,141,218)	-
(Increase) / decrease in other financial assets	3,121,885		14,260,628	-
(Increase) / decrease in other assets	(37,165,356)		12,095,859	-
Increase / (decrease) in trade payables	(2,606,507)		(36,229,699)	-
Increase / (decrease) in other financial liabilities	4,531,002		15,306,291	-
Increase / (decrease) in short term provisions	-		(1,578,112)	-
Increase / (decrease) in other liabilities	(35,057,921)	33,522,715	(34,544,568)	17,807,696
<b>Cash generated from operations</b>		(162,409,726)		(62,231,134)
Income Tax refund received		(1,199,136)		-
<b>Net cash generated by operating activities</b>		(161,270,591)		(62,231,134)
<b>B. Cash flow from investing activities</b>				
Payments for property, plant and equipment	(106,366,835)		(81,666,720)	-
<b>Net cash (used in) / generated by investing activities</b>		(106,366,835)		(81,666,720)
<b>C. Cash flow from financing activities</b>				
Proceeds from borrowings	6,987,734		90,236,745	
Repayment of finance lease	(15,426,471)		(17,506,251)	
Repayment of debt	(34,938,692)		-	
Proceeds from equity	370,349,895		101,143,149	
Interest paid	(38,950,596)		(28,429,379)	
<b>Net cash used in financing activities</b>		288,021,071		145,444,264
<b>Net increase in cash and cash equivalents</b>		20,384,445		1,546,411
Cash and cash equivalents at the beginning of the year		3,221,919		1,648,966
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		(2,379,517)		26,543
<b>Cash and Cash equivalents at the end of the year</b>		21,226,848		3,221,919

For KNAV P.A.  
Certified Public Accountants

Atul Deshmukh  
Atul Deshmukh  
Partner  
Licensed in Georgia

Place: Atlanta  
Date: May 07, 2019

For and on behalf of the Board of Directors of Rane Precision Die Casting Inc.

Amish Lakshman S Parthasarathy  
Director

D Madhusudhan  
Director

Place:  
Date: May 07, 2019

Place:  
Date: May 07, 2019

Place:  
Date: May 07, 2019

Brett Stevenson  
President

Sagar Kota  
Financial controller & Secretary

Place:  
Date: May 07, 2019

Place:  
Date: May 07, 2019



FOR IDENTIFICATION PURPOSE

KNAV P.A.

Rane Precision Die Casting Inc.  
Statements of Changes in Equity as on March 31, 2019 and March 31, 2018

Particulars	Reserves and Surplus				Items of other comprehensive			Total
	Share Capital	Share premium	Retained earnings	FCTR	Actuarial Gain / (Loss)			
<b>Balance at March 31, 2017</b>	6,834	201,939,547	(169,974,804)	(3,293,236)	25,434,518	54,112,860		
Profit for the year	-	-	(193,081,346)	-	-	(193,081,346)		
On issue of shares	-	111,193,300	-	-	-	111,193,300		
Other comprehensive income for the year, net of income tax	-	-	-	-	(10,479,075)	(10,479,075)		
Movement in foreign exchange translation reserve	-	-	-	(283,023)	-	(283,023)		
<b>Balance at March 31, 2018</b>	6,834	313,132,847	(363,056,150)	(3,576,258)	14,955,443	(38,537,284)		
Profit for the year	-	-	(365,828,691)	-	-	(365,828,691)		
On issue of shares	-	369,505,500	-	-	-	369,505,500		
Other comprehensive income for the year, net of income tax	-	-	-	(1,571,982)	(21,127,295)	(21,127,295)		
Movement in foreign exchange translation reserve	-	-	-	(5,148,240)	(6,171,852)	(1,571,982)		
<b>Balance at March 31, 2019</b>	6,834	682,638,347	(728,884,841)	(5,148,240)	(6,171,852)	(57,559,752)		

For KNAV P.A.  
Certified Public Accountants

Atul Deshmukh  
Atul Deshmukh  
Partner  
Licensed in Georgia

Place: Atlanta  
Date: May 07, 2019

For and on behalf of the Board of Directors of Rane Precision Die Casting Inc.

Harish Lakshman  
Director

Place:  
Date: May 07, 2019

S Parthasarathy  
Director

Place:  
Date: May 07, 2019

D Madhusudhan  
Director

Place:  
Date: May 07, 2019



FOR IDENTIFICATION PURPOSE

KNAV PA.

Brett Stevenson  
Director

Place:  
Date: May 07, 2019

K. Sagan  
Sagar Kota  
Financial controller &  
Secretary

Place:  
Date: May 07, 2019

**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**Note 1: Summary of Significant Accounting Policies**

**1. General Information**

Rane Precision Die Casting, was acquired by Rane (Madras) International Holdings B.V. on February 17, 2016. It is based in Russellville, Kentucky, is a leading supplier of high-quality, lightweight aluminum die castings to the North American automotive market. The Company, originally founded in 1956, produces complex, thin-walled, low porosity, high-pressure aluminum die castings. The Company provides a comprehensive portfolio of aluminum die cast solutions for steering and compressor components, pumps and valve housings.

**2. Summary of Significant accounting policies**

**2.1 Basis of Preparation**

The financial statements are prepared under historical cost convention in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

**2.2 Management Plans**

In view of the continued support from Rane (Madras) Limited (RML) (the ultimate holding company), the management considers that it is appropriate to prepare these financial statements on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company has received funding from RML during the current year and previous year by way of infusion of equity for meeting the cash flow requirements. In March 2019, the RML board resolved to enhance the limit for investment in the Company through Rane Madras International Holdings, B.V. ('RMIH'), the Parent Company, from INR 69.18 crores (USD 10 million) to INR 138.36 crore (USD 20 million). The investment can be in the form of equity shares or preference shares or any other type of securities or capital instruments including any combination thereof in one or more tranches from time to time. The Company therefore, relies on support from RML in future to meet the Capex and working capital requirements.

**2.3 Use of Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date.

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. Difference between actual results and estimates are recognised in the Profit and Loss Statement in the year in which the results are known / materialised.

**2.4 Fixed Assets & Depreciation**

**(i) Tangible Assets**

Fixed Assets are valued at cost, namely, cost of acquisition and other incidental expenses directly related to their installation / erection less accumulated depreciation and impairment, if any. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefit from the existing asset beyond its previously assessed standard of performance.

Depreciation on tangible assets is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight Line Method. The useful life of assets prescribed in Schedule II of The Companies Act, 2013 are considered for the purpose of Computation of Depreciation. However, If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is different from that envisaged in the aforesaid schedule, depreciation is provided at a such rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the useful life indicated below which is different from that stated in Schedule II to the Companies Act, 2013.



FOR IDENTIFICATION PURPOSE

KNAV P.A.



#### 4. Defined Contribution Plans

##### 401k plan

The company has a 401k plan set up for its employees. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

#### 5. Defined Benefit Plan

##### Pension plan

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

- \$23:00 multiplied by years of benefit service from December 2003 to 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.

The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. The Company contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. The Company recognizes the net obligation of the Plan in the balance sheet as an asset or liability, respectively, in accordance with Accounting Standard 15, "Employee benefits". The Company's overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investment trends of present and expected assets in the Plan. The discount rate is based on the Government securities yield or equivalent corporate bond. Remeasurement of defined benefit plans in respect of post employment are charged to the other comprehensive income.

#### 2.10 Taxes on Income

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

#### 2.11 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

#### 2.12 Research & Development Expenditure

Revenue expenditure on Research and Development is charged off in the year in which it is incurred. Capital expenditure on Research and Development is included under Fixed Assets.

#### 2.13 Provisions and Contingent Liabilities

**Provisions :** Provisions are recognised when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

**Contingent Liabilities :** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



FOR IDENTIFICATION PURPOSES

KNAV P.A.



## 2.14 Leases

### 1. Capital Leases

Capital leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return.

### 2. Operating Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

## 2.15 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting equity dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## 2.16 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.

## 2.17 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 functional currency of the company is United States Dollars ('USD'). However, the financial statements are presented in INR for consolidation with the parent company and therefore is the presentation currency of the Company.

### (ii) Translation

The results and financial position of the Company, which have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case incomes and expenses are translated at the dates of the transactions); and
- all resulting foreign exchange differences are recognised in other comprehensive income.

## 2.18 Standards issued but not yet effective

### Ind AS 116 - Leases:

On 30 March, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases to be effective from financial years beginning on or after April 01, 2019. The core principle of the new standard is that an entity should recognize long term operating leases in the balance sheet as right of use assets and recognise liability for future lease payments. Further the new standard requires enhanced disclosures about the nature, amount and timing of cash flows that will outflow from the entity's contracts with lessors. The effect on adoption of Ind AS 116 is still being considered by the Company.



FOR IDENTIFICATION PURPOSE

KNAV P.A.

Rane Precision Die Casting Inc.  
NOTES FORMING PART OF ACCOUNTS

(In Rs.)

	As at		Total		
	March 31, 2019	March 31, 2018			
<b>Carrying amounts of:</b>					
Plant and equipment	380,732,986	355,294,918			
Office Equipment	8,586,109	14,088,352			
Vehicles	-	9,957			
Equipments under finance lease	32,476,888	47,258,488			
<b>Sub-Total</b>	<b>421,795,983</b>	<b>416,651,715</b>			
Capital Work-in-progress	34,927,183	22,047,342			
<b>Total</b>	<b>456,723,166</b>	<b>438,699,057</b>			
			(In Rs.)		
<b>Particulars</b>	<b>Plant and equipment</b>	<b>Office Equipment</b>	<b>Vehicles</b>	<b>Equipments under finance lease</b>	<b>Total</b>
<b>Balance at 31-Mar-2018</b>	<b>537,448,580</b>	<b>18,741,191</b>	<b>32,585</b>	<b>143,672,909</b>	<b>699,895,266</b>
Additions	88,490,361	1,245			88,491,607
Disposals	(1,989,198)				(1,989,198)
Effect of foreign currency exchange differences	52,688,438	1,238,082	2,005	8,840,393	62,768,918
<b>Balance at 31-Mar-2019</b>	<b>676,638,182</b>	<b>19,980,518</b>	<b>34,590</b>	<b>152,513,302</b>	<b>849,166,592</b>
					(In Rs.)
<b>Accumulated depreciation and impairment</b>	<b>AD Plant and equipment</b>	<b>AD Office Equipment</b>	<b>AD Vehicles</b>	<b>AD Equipments under finance lease</b>	<b>Total</b>
<b>Balance at 31-Mar-2018</b>	<b>182,153,662</b>	<b>4,652,840</b>	<b>22,628</b>	<b>96,414,421</b>	<b>283,243,551</b>
Eliminated on disposals	(1,238,267)				(1,238,267)
Depreciation expense	104,815,278	6,520,343	10,676	17,867,792	129,214,089
Effect of foreign currency exchange differences	10,174,523	221,226	1,286	5,754,201	16,151,236
<b>Balance at 31-Mar-2019</b>	<b>295,905,196</b>	<b>11,394,409</b>	<b>34,590</b>	<b>120,036,414</b>	<b>427,370,609</b>
Carrying amount as on March 31, 2018	355,294,918	14,088,352	9,957	47,258,488	416,651,715
Carrying amount as on March 31, 2019	380,732,986	8,586,109	-	32,476,888	421,795,983



FOR IDENTIFICATION PURPOSE

Rane Precision Die Casting Inc.  
NOTES FORMING PART OF ACCOUNTS

(In Rs.)

Note 3 OTHER FINANCIAL ASSETS Particulars	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
(a) Rent deposit	58,803	-	-	-
(b) Other deposits	11,378,266	-	-	-
Margin money Deposits	6,485,625	19,795,388	-	-
<b>Total</b>	<b>17,922,694</b>	<b>19,795,388</b>	-	-

Note 4 OTHER ASSETS	Non-current		Current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>Other Non Financial Assets</b>				
<b>Unsecured and considered good unless otherwise stated :</b>				
(a) Advances paid to suppliers	-	-	12,247,238	2,037,681
(b) Leasehold improvements	11,817,693	13,222,980	-	-
(c) Prepaid Expenses	-	-	2,205,424	2,008,664
(h) Advance recoverable in kind or for value to be received	-	-	7,354,726	-
(i) Unsecured and Considered Good	-	-	119,061	25,607
Loans to employees	36,645,338	31,546,856	-	-
Capital Advances	21,537,903	-	-	-
Tooling cost recoverable	<b>70,000,934</b>	<b>44,769,836</b>	<b>21,926,449</b>	<b>4,071,952</b>



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

(In Rs.)

<b>Note 5 INVENTORIES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(At lower of cost and net realisable value)		
(a) Raw materials	16,781,272	19,885,702
(b) Work-in-process	66,048,769	61,135,817
(c) Finished goods	3,665,659	1,886,791
(d) Stores and spares	84,303,313	84,818,183
	<b>170,799,013</b>	<b>167,726,493</b>

**Note 6 CASH AND CASH EQUIVALENTS**

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a) Balances with banks (including deposits with original maturity upto 3 months)		
(i) In Current account	21,162,611	3,214,493
(b) Cash on hand	64,237	7,427
<b>Cash and Cash Equivalents as per balance sheet</b>	<b>21,226,848</b>	<b>3,221,919</b>



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

(In Rs.)

<b>Note 7 TRADE RECEIVABLES</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Secured, considered good	-	-
Unsecured, considered good	248,289,466.00	320,985,543
Doubtful	-	-
<b>Sub -Total</b>	<b>248,289,466</b>	<b>320,985,543</b>
Allowance for doubtful debts (expected credit loss allowance)	-	-
	<b>248,289,466</b>	<b>320,985,543</b>
<b>Current</b>	<b>248,289,466</b>	<b>320,985,543</b>
<b>Non-current</b>	-	-

**7.1 Trade Receivables**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The Company follows the specific identification method for recognizing provision for doubtful accounts. Management analyzes composition of the accounts receivable aging, historical bad debts, current economic trends and customer credit worthiness of each accounts receivable when evaluating the adequacy of the provision for doubtful accounts.

	(In Rs.)	
<b>Age of receivables</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Less than 120 Days past due	248,289,466	316,817,400
More than 120 days past due	-	4,168,143
<b>Total</b>	<b>248,289,466</b>	<b>320,985,543</b>
<b>Movement in expected credit loss allowance</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Balance at beginning of the year	-	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	-
<b>Balance at end of the year</b>	<b>-</b>	<b>-</b>



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rs.)		
<b>Note 8 CURRENT TAX ASSETS AND LIABILITIES</b>		
Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current Tax Assets</b>		
Advance payment of Tax and Tax Deducted at Source	-	-
Advance Fringe benefits tax	-	-
<b>Total</b>		
<b>Current Tax Liabilities</b>		
Income Tax payable	-	1,977,010
Others	-	-
<b>Total</b>		<b>1,977,010</b>



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rs.)

Note 9 EQUITY SHARE CAPITAL	As at	
	March 31, 2019	March 31, 2018
<b>AUTHORISED :</b>		
Equity Shares:		
100 Equity Shares of \$ 1 each	6,834	6,834
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
100 Equity Shares of \$ 1 each fully paid-up (INR 68.34)	6,834	6,834
	<b>6,834</b>	<b>6,834</b>

Reconciliation of number of shares	2018-19		2017-18	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
<b>Equity Shares of \$ 1 each fully paid up (INR 68.34)</b>				
At the beginning of the period	100	6,834	100	6,834
At the end of the period	<b>100</b>	<b>6,834</b>	<b>100</b>	<b>6,834</b>

The Company has one class of equity share having a par value of \$ 1 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.

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

Name of the Share holder	Number of shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane (Madras) International Holdings B.V.	100	100.00%	100	100.00%



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rs.)

<b>Note 10 OTHER EQUITY</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Other Comprehensive income	(6,171,852)	14,955,443
Securities Premium reserve	682,638,347	313,132,847
Foreign Currency Translation Reserve	(5,148,240)	(3,576,258)
Retained Earnings	(728,884,841)	(363,056,150)
	<b>(57,566,586)</b>	<b>(38,544,118)</b>

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

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>(a) Other Comprehensive Income</b>		
Opening balance	14,955,443	25,434,518
Add :Addition during the year	(21,127,295)	(10,479,075)
<b>Closing balance</b>	<b>(6,171,852)</b>	<b>14,955,443</b>
<b>(b) Securities Premium Account</b>		
Opening balance	313,132,847	201,939,547
Add :Addition during the period	369,505,500	111,193,300
<b>Closing balance</b>	<b>682,638,347</b>	<b>313,132,847</b>
<b>(c) Retained Earnings</b>		
Balance at the beginning of the year	(363,056,150)	(169,974,804)
Profit attributable to the owners of the company	(365,828,691)	(193,081,346)
<b>Balance at the end of the year</b>	<b>(728,884,841)</b>	<b>(363,056,150)</b>
<b>(d) Foreign Currency Translation Reserve</b>		
Opening Balance	(3,576,258)	(3,293,236)
Movement during the year	(1,571,982)	(283,023)
<b>Closing</b>	<b>(5,148,240)</b>	<b>(3,576,258)</b>
<b>Total</b>	<b>(57,566,586)</b>	<b>(38,544,118)</b>



FOR IDENTIFICATION PURPOSE

KNAV P.A.



Rane Precision Die Casting Inc.  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rs.)

Note 11 BORROWINGS	Non-Current Portion	
	As at March 31, 2019	As at March 31, 2018
<b>Secured - at amortised cost</b>		
i). Term Loans		
- from banks	69,179,978.00	97,755,000.00
<b>Total</b>	<b>69,179,978</b>	<b>97,755,000</b>
<b>The above amount includes</b>		
Secured Borrowings	69,179,978	97,755,000
Amount disclosed under the head "other current liabilities"	(46,120,023)	(32,585,000)
<b>Net amount</b>	<b>23,059,955</b>	<b>65,170,000</b>

**Summary of borrowing arrangements**

(i) During the year ended March 31, 2017, the Company obtained a term loan of INR 130,340,000 (\$ 2,000,000) from Export-Import Bank of India ("EXIM bank") bearing a variable interest rate of 6 month LIBOR +375 basis points quarterly payable. The loan is secured against all moveable property, plant and equipment, current assets of Rane Precision Die Casting, Inc. and shares of the Company held by Rane (Madras) International Holdings B.V. The said loan is repayable in 12 equal quarterly instalments starting from October 2018.

Note 11 BORROWINGS	Current Portion	
	As at March 31, 2019	As at March 31, 2018
<b>Secured - at amortised cost</b>		
ii) Working capital loan	518,850,000	482,258,000
	<b>518,850,000</b>	<b>482,258,000</b>

**Summary of borrowing arrangements**

The Company had obtained a working capital loan and has balance outstanding of INR 518,850,000 (\$ 7,500,000) as at March 31, 2019. The loan bears a variable interest rate of 6 month LIBOR +375 basis points and is payable on a quarterly basis. The loan is secured against all moveable property, plant and equipment, current assets of the Company and shares of the Company held by Rane (Madras) International Holdings B.V.



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

(In Rs.)

	As at March 31, 2019	As at March 31, 2018
<b>Note 12 TRADE PAYABLES</b>		
Trade payables	248,177,355	222,663,988
<b>TOTAL</b>	<b>248,177,355</b>	<b>222,663,988</b>

There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Note 13 OTHER FINANCIAL LIABILITIES</b>				
(a) Interest accrued but not due on borrowings	-	-	4,336,660	3,917,755
(b) Employee related liabilities	-	-	5,769,044	26,625,351
(c) Current maturities of long term borrowings	-	-	46,120,023	32,585,000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>56,225,727</b>	<b>63,128,106</b>

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Note 14 OTHER LIABILITIES</b>				
(a) Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, Excise Duty, VAT, Service Tax, etc.)	-	-	4,540,753	2,075,543
(b) Tooling advance received from customers	-	-	-	10,142,277
(c) Defined benefit plan obligation	-	-	153,960,851	134,647,933
(d) Finance lease	666,740	12,726,380	-	-
Current maturities of finance lease	-	-	12,846,918	14,387,255
<b>TOTAL</b>	<b>666,740</b>	<b>12,726,380</b>	<b>171,348,522</b>	<b>161,253,008</b>



FOR IDENTIFICATION PURPOSES

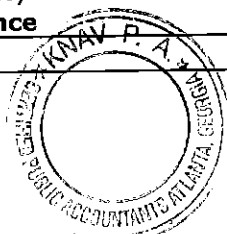
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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 15 DEFERRED TAX BALANCES**

(in Rs.)

Deferred tax liability (net)	Balance Sheet	
	March 31, 2019	March 31, 2018
<b>Deferred tax relates to the following:</b>		
Fixed assets or property, plant & equipment	(74,891,971)	(77,273,582)
Loan Processing Fees	42,288	-
Accrued bonus	129,453	-
Inventory reserve	2,536,889	2,267,457
Inventory	186,382	1,279,595
Capital lease adjustments	3,371,657	6,548,660
Interest disallowance u/s 163(j)	20,722,949	10,124,019
Net operating losses	177,067,841	95,050,532
Deferred tax asset valuation allowance	(129,165,488)	(37,996,681)
<b>Deferred tax liability</b>	<b>-</b>	<b>-</b>
<b>Major components of deferred tax for the year ended March 31, 2019 and March 31, 2018:</b>		
Deferred tax expense/(income)	Statement of Profit and Loss	
	March 31, 2019	March 31, 2018
<b>Deferred tax relates to the following:</b>		
Fixed assets or property, plant & equipment	7,136,361	24,929,372
Loan Processing Fees	42,288	-
Accrued bonus	129,453	(232,828)
Inventory reserve	129,912	(259,265)
Inventory	(1,171,949)	(580,420)
Capital lease adjustments	(3,579,951)	(8,451,865)
Interest disallowance u/s 163(j)	9,975,985	10,124,019
Net operating losses	76,168,719	35,869,255
Deferred tax asset valuation allowance	(88,830,819)	(37,996,681)
<b>Deferred tax expense/(income)</b>	<b>-</b>	<b>23,401,586</b>
<b>Net deferred tax assets/ (liabilities)</b>	<b>-</b>	<b>23,401,586</b>
<b>Deferred tax in the balance sheet as follows</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Deferred tax assets	204,057,459	115,270,263
Deferred tax liabilities:	(74,891,971)	(77,273,582)
<b>Deferred tax liabilities, net</b>	<b>129,165,488</b>	<b>37,996,681</b>
Valuation Allowance	(129,165,488)	(37,996,681)
<b>Net Deferred tax</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of deferred tax liabilities (net)</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Opening balance</b>	-	(23,401,550)
Tax income/(expense) during the period recognised in profit or loss	-	23,401,550
Tax income/(expense) during the period recognised in OCI	-	-
Adjustment to general reserve [Refer note 21(a)]	-	-
Foreign currency translation reserve	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>



FOR IDENTIFICATION PURPOSES.

KNAV P.A.

**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

(In Rs.)

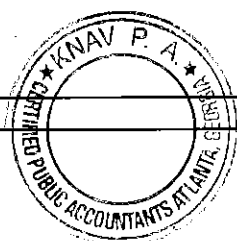
<b>NOTE 16 REVENUE FROM OPERATIONS</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>16.1 Disaggregated revenue information</b>		
(a) Sales of Products - aluminium castings	1,788,337,455	1,768,104,655
(b) Other operating revenues		
- Tools	21,656,128	70,919,535
- Scrap sales	33,649,340	19,717,700
<b>Total revenue from operations</b>	<b>1,843,642,923</b>	<b>1,858,741,890</b>
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>16.2 Timing of Revenue recognition</b>		
Products transferred at a time	1,843,642,923	1,858,741,890
<b>Total revenue from operations</b>	<b>1,843,642,923</b>	<b>1,858,741,890</b>
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>16.3 Contract balances</b>		
Trade Receivables (Refer Note 7)	248,289,466	320,985,543
<b>Total revenue from operations</b>	<b>248,289,466</b>	<b>320,985,543</b>
The above table provides information about receivables, contract assets and contract liabilities from contracts with customers.		
<b>Note 17 OTHER INCOME</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Other non-operating income (net of expenses directly attributable to such income)		
- Others (aggregate of immaterial items)	9,399,435	1,930,440
	<b>9,399,435</b>	<b>1,930,440</b>
<b>Note 18 CHANGES IN INVENTORIES OF WORK IN PROGRESS AND FINISHED GOODS</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>Opening Stock:</b>		
Work-in-process	61,135,817	50,497,409
Finished goods	1,886,791	8,332,114
<b>Closing Stock:</b>		
Work-in-process	66,048,769	61,135,817
Finished goods	3,665,659	1,886,791
<b>(Increase)/Decrease in Stocks</b>	<b>(6,691,820)</b>	<b>(4,193,086)</b>



FOR IDENTIFICATION PURPOSE

KNAV P.A.

<b>Note 19 EMPLOYEE BENEFIT EXPENSES</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
(a) Salaries, Wages and Bonus	690,235,741	657,700,648
(b) Contribution to Provident and Other Funds	124,405,478	175,005,318
(c) Staff Welfare Expenses	2,541,454	821,074
	<b>817,182,673</b>	<b>833,527,041</b>
<b>Note 20 FINANCE COSTS</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>Continuing operations</b>		
Interest costs:		
Interest on bank overdrafts and loans (other than those from related parties)	38,950,596	28,429,379
	<b>38,950,596</b>	<b>28,429,379</b>
Finance costs relating to financial liabilities designated as at fair value through profit or loss are included in 'Other'		
<b>Note 21 DEPRECIATION AND AMORTISATION EXPENSE</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Depreciation on Property, plant and equipment pertaining to continuing operations	129,214,089	115,396,149
<b>Total depreciation and amortisation expense</b>	<b>129,214,089</b>	<b>115,396,149</b>
<b>Note 22 OTHER EXPENSES</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Auditors' Remuneration	1,721,917	2,535,459
Bank charges	836,023	2,417,442
Commission to Selling Agents	4,527,007	3,264,502
Consumption of stores and spares	123,399,033	131,540,178
Donations	104,816	-
Loss on sale of assets	750,931	-
Insurance	23,837,411	15,780,935
Information Systems	5,361,504	8,111,777
Power and Fuel	140,307,152	109,283,284
Packing, Despatching and Freight	71,887,771	83,795,974
Professional Charges	19,482,066	20,185,202
Printing and Stationery	655,643	10,397
Rates and Taxes, excluding taxes on income	14,270,699	15,401,797
Rent expense	15,184,052	15,566,340
Repairs and Maintenance		
- Plant and Machinery	121,995,406	77,818,516
- Others	23,084,497	20,888,768
Telephone	3,259,802	2,581,383
Travelling and Conveyance	6,233,981	3,115,986
Leasehold Land Ammortisation	2,241,282	2,056,513
Miscellaneous Expenses	4,855,785	3,388,399
	<b>583,996,778</b>	<b>517,742,851</b>



FOR IDENTIFICATION PURPOSE

**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 23 INCOME AND DEFERRED TAXES**

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

(in Rs.)		
<b>Statement of profit and loss :</b>		
<b>Statement of profit or loss</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>Current income tax :</b>		
Current income tax charge (including taxes for earlier years)	920,634	(1,748,052)
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	-	(23,144,758)
<b>Tax expense reported in the statement of profit and loss</b>	<b>920,634</b>	<b>(24,892,810)</b>
<b>Other comprehensive income (OCI)</b>		
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>Deferred tax related to items recognised in OCI:</b>		
Net loss/(gain) on revaluation of cash flow hedges	-	-
Net loss/(gain) on re-measurement of defined benefit plans	(1,284,636)	2,780,939
DTA - Not recognised	1,284,636	(2,780,939)
<b>Tax charged to OCI</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018</b>		
	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Accounting profit before tax from operations	(360,779,484)	(242,143,746)
<b>Accounting profit before income tax</b>		
At US statutory income tax rate of 21%	(75,763,692)	(50,850,187)
Permanent Difference	87,604	457,748
Temporary Difference	(10,169,655)	(33,548,515)
NOL's	1,398,736	18,687,487
DTA - Not recognised	85,367,639	40,360,641
<b>At the effective income tax rate</b>	<b>920,634</b>	<b>(24,892,821)</b>
<b>Tax expense reported in the statement of profit and loss</b>	<b>920,634</b>	<b>(24,892,810)</b>



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 24 EARNINGS PER SHARE**

<b>Particulars</b>	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Basic Earnings per share		
From continuing operations	(3,853,840)	(2,038,554)
<b>Total basic earnings per share</b>	<b>(3,853,840)</b>	<b>(2,038,554)</b>
Diluted Earnings per share		
From continuing operations	(3,853,840)	(2,038,554)
<b>Total diluted earnings per share</b>	<b>(3,853,840)</b>	<b>(2,038,554)</b>

**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.

<b>Earnings used in the calculation of basic earnings per share from continuing operations</b>	(385,384,005)	(203,843,444)
--	---------------	---------------

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
(a) Number of equity Shares of \$ 1 each outstanding at the end of the year	100	100
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	100	100

**Diluted Earnings per share**

The earnings used in the calculation of diluted earnings per share as follows.

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
Earnings used in the calculation of diluted earnings per share from continuing operations	(365,828,691)	(193,081,346)

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:

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2017</b>
Weighted average number of equity shares used in the calculation of basic earnings per share	100	100



**FOR IDENTIFICATION PURPOSES**

**KNAV P.A.**

**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**Note 25 SEGMENT REPORTING**

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in United States of America:

**Reportable Segment : One product segment - Auto components for transportation industry**

**25.1 Geographical Information**

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

	Revenue from external customers		Non - current assets**	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	-	-	-	-
Rest of World	1,843,642,923	1,858,741,890	544,646,794	458,494,444
<b>Total</b>	<b>1,843,642,923</b>	<b>1,858,741,890</b>	<b>544,646,794</b>	<b>458,494,444</b>

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

**25.2 Information about major customers**

Included in revenues arising from direct sales of Rs.175.07 Cr (2017-18: 187.44 Cr) are revenues of approximately Rs. 155.87 Cr (2017-18: Rs. 171.58 Cr) which arose from sales to the Company's largest customers. No other single customers contributed 10% or more to the Company's revenue for both 2018-19 and 2017-18.



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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 26 EMPLOYEE BENEFIT PLANS**

**A. Defined contribution plans**

The company has a 401k plan set up for its employees. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**B. Defined benefit plans :**

**Pension -**

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

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

**Disability benefit:**

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

**Death benefit:**

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year. The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. The Company contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company 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 :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	Pension (Funded)	
	2018-19	2017-18
<b>Present Value of obligations at the beginning of the year</b>	<b>363,501,446</b>	<b>343,415,830</b>
Current service cost	7,796,844	6,778,069
Interest Cost	15,239,549	13,834,260
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	6,554,774	1,148,134
- Actuarial gains and losses arising from financial assumptions	8,724,815	5,429,029
Benefits paid	(11,294,624)	(9,263,640)
Foreign currency translation adjustment	22,097,086	2,159,764
<b>Present Value of obligations at the end of the year</b>	<b>412,619,890</b>	<b>363,501,446</b>



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<b>Changes in the fair value of planned assets</b>	<b>228,853,514</b>	<b>210,274,121</b>
<b>Fair value of plan assets at beginning of year</b>	9,594,508	8,470,717
Interest Income	-	-
Expected Return on plan assets	23,643,137	21,767,874
Contributions from the employer	(11,294,624)	(9,263,640)
Benefits Paid	(6,060,671)	(3,786,914)
Return on Plan Assets, Excluding Interest Income	-	-
Actuarial gain/ (loss) on plan assets	13,923,175	1,391,356
Foreign currency translation adjustment	<b>258,659,039</b>	<b>228,853,514</b>
<b>Fair Value of plan assets at the end of the year</b>	<b>(153,960,851)</b>	<b>(134,647,932)</b>
<b>Amounts recognized in the Balance Sheet</b>	(412,619,890)	(363,501,446)
Projected benefit obligation at the end of the year	258,659,039	228,853,514
Fair value of plan assets at end of the year	<b>(153,960,851)</b>	<b>(134,647,932)</b>
<b>Funded status of the plans – Liability recognised in the balance sheet</b>		
<b>Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	7,796,844	6,778,069
Net Interest Expense	5,645,041	5,363,543
Past service cost	-	-
<b>Net Cost in Profit or Loss</b>	<b>13,441,885</b>	<b>12,141,612</b>
<b>Components of defined benefit cost recognised in Other Comprehensive Income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	15,279,589	6,577,163
Return on plan assets	6,060,671	3,786,914
<b>Net Income / (Cost) in Other Comprehensive Income</b>	<b>21,340,260</b>	<b>10,364,077</b>
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Assumptions</b>		
Expected Return on Plan Assets	3.75%	3.91%
Discount rate	3.75%	3.91%
<b>Expected rate of salary increases</b>		
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%
Operators	0.00%	0.00%
<b>Expected rate of attrition</b>		
Rate of Employee Turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table
<p>The company 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.</p> <p>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:</p>		
	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>Sensitivity Analysis</b>		
<b>Projected Benefit Obligation on Current Assumptions</b>	<b>412,619,890</b>	<b>363,501,446</b>
Delta Effect of +0.5% Change in Rate of Discounting	(29,625,989)	(27,341,487)
Delta Effect of -0.5% Change in Rate of Discounting	30,981,018	27,812,014
<p>Please note that 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.</p> <p>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.</p> <p>There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.</p>		



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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 27 FINANCIALS INSTRUMENTS**

**27.1 Capital management**

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company isn't subject to any externally imposed capital requirements. The capital structure of the Company consists of net debt and total equity of the Company.

**27.1.1 Gearing ratio**

The gearing ratio at the end of the reporting period was as follows:

Particulars	(In Rs.)	
	As at March 31, 2019	As at March 31, 2018
Debt *	588,029,978	580,013,000
Cash and bank balances (including cash and bank balances in a disposal Company held for sale)	21,226,848	3,221,919
<b>Net debt</b>	<b>566,803,130</b>	<b>576,791,081</b>
Equity	(57,559,752)	(38,537,284)
Hedging reserve	-	-
<b>Total Equity**</b>	<b>(57,559,752)</b>	<b>(38,537,284)</b>
Net debt to equity ratio	<b>-984.72%</b>	<b>-1496.70%</b>

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

\*\* Equity includes all capital and reserved of the company that are managed as capital.

27.1.2 Categories of financial instruments	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>		
<b>Measured at amortised cost</b>		
(a) Cash and bank balances (including cash and bank balances in a disposal Company held for sale)	21,226,848	3,221,919
(b) Other financial assets at amortised cost (including trade receivables in a disposal Company held for sale)	248,289,466	320,985,543
<b>Financial liabilities</b>		
<b>Measured at amortised cost (including trade payables balance in a disposal Company held for sale)</b>		
Trade payables	248,177,355	222,663,988

**27.2 Interest rate risk management**

The company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management.

**27.3 Credit risk management**

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. (Refer Note 7)

**27.4 Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 39.10.2 below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.



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**27.5 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**  
 Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
<b>Financial assets at amortised cost:</b>				
- Trade receivables	248,289,466	248,289,466	320,985,543	320,985,543
- others	-	-	19,795,388	19,795,388
<b>Financial liabilities</b>				
<b>Financial liabilities held at amortised cost:</b>				
Bank Borrowings and cash credit	46,120,023	46,120,023	32,585,000	32,585,000
Trade payables	248,177,355	248,177,355	222,663,988	222,663,988
Interest accrued but not due on borrowings	4,336,660	4,336,660	3,917,755	3,917,755
<b>Financial Lease payables</b>	-	-	-	-

**Fair value hierarchy as at March 31, 2019**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial assets at amortised cost:</b>				
- Trade receivables			248,289,466	248,289,466
- Interest accrued but not due on deposits, loans and etc.			-	-
<b>Financial Lease receivables</b>			248,289,466	248,289,466
<b>Total</b>				
<b>Financial liabilities</b>				
<b>Financial liabilities held at amortised cost:</b>				
Bank loans			46,120,023	46,120,023
Trade payables			248,177,355	248,177,355
Interest accrued but not due on borrowings			4,336,660	4,336,660
<b>Financial Lease payables</b>			-	-
<b>Total</b>			298,634,038	298,634,038

**Fair value hierarchy as at March 31, 2018**

Particulars	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial assets at amortised cost:</b>				
- Trade receivables			320,985,543	320,985,543
- Interest accrued but not due on deposits, loans and etc.			-	-
<b>Financial Lease receivables</b>			320,985,543	320,985,543
<b>Total</b>				
<b>Financial liabilities</b>				
<b>Financial liabilities held at amortised cost:</b>				
Bank loans			32,585,000	32,585,000
Trade payables			222,663,988	222,663,988
Interest accrued but not due on borrowings			3,917,755	3,917,755
<b>Financial Lease payables</b>			-	-
<b>Total</b>			259,166,743	259,166,743

The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.



FOR IDENTIFICATION PURPOSE

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Rane Precision Die Casting Inc.  
NOTES FORMING PART OF ACCOUNTS

NOTE 28 RELATED PARTY DISCLOSURES

(a) Names of related parties and nature of relationships:

(i) Holding Company	Rane (Madras) International Holdings B.V. Rane (Madras) Limited (Ultimate Holding Company) Rane Holdings Limited
(ii) Fellow subsidiaries	Rane Holdings America Inc. Rane Brake Linings Limited

(b) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

(c) TRANSACTIONS / BALANCES

Description	Holding Company		Fellow Subsidiary		KMP		Relatives of KMP		Enterprise over which KMP / relatives exercise significant influence		Other related parties under common control		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Transactions during the year</b>														
Professional Charges	2,566,317	9,659,279	3,764,995	3,590,517									6,331,312	13,249,795
<b>Balance as at Year End</b>														
Payables	1,047,263	2,557,475	3,704,312	3,199,977									4,751,575	5,757,452
Fellow Subsidiary														



FOR IDENTIFICATION PURPOSE

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**Rane Precision Die Casting Inc.**  
**NOTES FORMING PART OF ACCOUNTS**

**NOTE 29 OPERATING LEASE ARRANGEMENTS**

**29.1 The Company as lessee**

**29.1.1 Leasing arrangement**

Operating leases relate to leases of land with lease terms of between 5-10 yrs . All operating lease contracts over 5 years contain clauses for 5-yearly market rental review .The Group does not have an option to purchase the leased land at the expiry of the lease periods.

**29.1.2 Non-cancellable operating lease commitments**

<b>(In Rs.)</b>		
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Not later than 1 year	5,059,618	5,056,214
Later than 1 year and not later than 5 years	3,671,245	5,056,214
Later than 5 years	-	-
	<b>8,730,863</b>	<b>10,112,428</b>

<b>(In Rs.)</b>		
<b>Particulars</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	61,345,338	2,123,382



FOR IDENTIFICATION PURPOSE

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Rane Precision Die Casting Inc.  
NOTES FORMING PART OF ACCOUNTS

Note 31 Contingent Liabilities and Contingent Assets

Contingent Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
(a) Claims against the Company not acknowledged as debt	-	-
(b) Guarantees excluding financial guarantees	-	-
(c) Other money for which the company is contingently liable	-	-

Note 32. Additional information to financial statements

ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

Particulars

Particulars	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2018	March 31, 2018
a) Raw materials consumed :				
1) Aluminum Alloy	655,298,099	587,744,152	587,744,152	587,744,152
	655,298,099			

b) Value of indigenous raw materials, components and spares consumed and percentage of each to the total consumption:

Particulars	Year ended		Year ended	
	March 31, 2019	Percentage	March 31, 2018	Percentage
1) Raw Materials	655,298,099	84%	587,744,152	82%
Indigenous	123,399,033	16%	131,540,178	18%
2) Stores and Spare Parts	778,697,132	100%	719,284,330	100%
Indigenous				

For KNAV P.A.  
Certified Public Accountants

*Prad Deshmukh*

Partner

Licensed in Georgia

Place: Atlanta  
Date: May 07, 2019

For and on behalf of the Board of Directors of Rane Precision  
Die Casting Inc.

*Harsh Lakshman*

Director

*S Parthasarathy*

Director

*D Madhusudhan*

Director

Place: *May 07,*  
Date: *2019*

Place: *May 07,*  
Date: *2019*

Place: *May 07, 2019*  
Date: *2019*

FOR IDENTIFICATION PURPOSE



KNAV P.A.

Place: *May 07,*  
Date: *2019*

Place: *May 07, 2019*  
Date: *2019*

*Bratt Stevenson*

Director

*K. Sagar*

Financial controller &  
Secretary