

# **Rane (Madras) Limited**

19<sup>th</sup> Annual Report 2022-23

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# FINANCIAL HIGHLIGHTS

## OPERATIONAL PERFORMANCE

(₹ in Crores)

Particulars	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14
Total Income (*)	2,135.50	1,561.79	1,151.05	1,119.23	1,380.83	1,219.60	992.62	862.49	779.97	727.51
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	2.53	133.63	30.72	60.92	151.75	139.49	99.38	79.70	69.67	69.16
Profit Before Tax (PBT)	(98.11)	51.47	(45.04)	(23.45)	70.37	60.18	26.29	18.66	16.84	19.68
Profit After Tax (PAT)	(126.54)	36.61	(50.69)	(24.43)	47.25	41.81	20.67	14.09	12.44	16.78

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

## KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14
Return on Capital Employed (RoCE) %	20.1%	8.8%	(3.5%)	1.3%	15.5%	16.6%	11.6%	9.0%	9.9%	13.9%
Return on Net Worth (RoNW) %	(40.7%)	10.7%	(16.6%)	(8.0%)	16.4%	19.1%	13.0%	9.0%	9.0%	12.0%
Earnings Per Share (₹)	(77.80)	23.94	(39.51)	(20.37)	40.38	37.61	19.66	12.77	11.20	15.35
Dividend (%) <sup>(*)</sup>	-	-	-	-	85.0%	120.0%	60.0%	45.0%	45.0%	55.0%
Dividend Payout ratio <sup>(*)</sup>	-	-	-	-	26.0%	40.1%	37.0%	40.0%	46.0%	40.0%
Book Value Per Share (₹)	151.92	230.51	211.65	239.71	259.97	229.53	162.65	144.98	138.43	133.41

<sup>(\*)</sup> Includes final dividend, if any, recommended by the Board for the respective financial years

## BALANCE SHEET\*\*

(₹ in Crores)

FINANCIAL YEAR	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14
Equity Share Capital	16.27	16.27	14.57	12.55	11.97	11.61	10.51	10.51	10.51	10.51
Shareholders' funds	247.11	374.93	308.27	300.93	311.27	266.43	170.95	160.62	153.73	148.45
Non current Liabilities	193.69	179.75	113.95	155.42	129.53	130.37	140.05	139.67	62.97	49.90
Current Liabilities	737.19	639.21	523.81	409.75	429.58	414.44	379.53	312.66	317.33	256.27
Non current assets	494.27	627.43	530.07	530.02	450.69	406.07	389.51	343.46	300.59	245.12
Current assets	683.72	566.46	415.96	336.05	419.73	405.16	301.02	269.49	233.44	209.51

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

### Note :

- 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.
- 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  
Pradip Kumar Bishnoi  
N Ramesh Rajan  
Vasudha Sundararaman  
Vikram Hosangady

## Audit Committee

Pradip Kumar Bishnoi, Chairman  
L Ganesh  
N Ramesh Rajan  
Vasudha Sundararaman

## Stakeholders' Relationship Committee

Harish Lakshman, Chairman  
Pradip Kumar Bishnoi  
N Ramesh Rajan

## Nomination and Remuneration Committee

N Ramesh Rajan, Chairman  
Harish Lakshman  
Pradip Kumar Bishnoi

## Corporate Social Responsibility Committee

L Ganesh, Chairman  
Harish Lakshman  
Vasudha Sundararaman

## Risk Management Committee

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

## President & Manager

Gowri Kailasam

## Executive 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, 1<sup>st</sup> & 2<sup>nd</sup> 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  
DBS Bank India Limited  
Axis Bank  
Federal Bank  
Kotak Mahindra Bank Limited  
ICICI Bank  
Exim Bank  
Standard Chartered Bank  
State Bank of India  
RBL Bank Limited

## Registered Office

**Rane (Madras) Limited**

CIN: L65993TN2004PLC052856

"MAITHRI", 132, Cathedral Road, Chennai 600 086

Phone: 044-28112472/73

Email: [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com)

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

## Registrar and Transfer Agents

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

## Rane (Madras) Limited

CIN: L65993TN2004PLC052856

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

Phone: 044-28112472/73

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

# NOTICE TO MEMBERS

NOTICE is hereby given that the Nineteenth (19<sup>th</sup>) Annual General Meeting of Rane (Madras) Limited will be held on **Wednesday, July 26, 2023 at 14:00 hrs (IST)** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2023, 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, 2023 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, 2023 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. Harish Lakshman (DIN:00012602), who retires by rotation and being eligible, offers himself for re-appointment

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

"Resolved that Mr. Harish Lakshman (DIN:00012602), 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 17<sup>th</sup> AGM whichever is higher, to Mr. Ganesh Lakshminarayan, (DIN:00012583) Chairman, for the financial year ending March 31, 2024 exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all the Non-Executive Directors of the Company for the financial year ending March 31, 2024."

4. To approve the increase in borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013

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

"Resolved that in supersession of the special resolution adopted at the tenth Annual General Meeting held on July 31, 2014 and

pursuant to section 180(1)(c) and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the Company, provided that the total amount borrowed and outstanding at any point of time, apart from temporary loans obtained / to be obtained from the Company's Bankers in the ordinary course of business, shall not be in excess of ₹400 Crores (Rupees Four Hundred Crores only) over and above the aggregate of the paid up share capital, free reserves and securities premium of the Company."

5. To approve revision in terms of appointment and remuneration of Mr. Aditya Ganesh, President – LMCI and Strategy Head of SLD, a related party, under Section 188 of the Companies Act, 2013

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

"Resolved that pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 (the Act), the rules made thereunder (including any amendment thereto or modification thereof and such other approvals, permissions and sanctions, as may be required), consent of the members be and is hereby accorded to revise the terms and conditions of employment of Mr. Aditya Ganesh as President – LMCI and Strategy Head of SLD, who is a relative of Mr. L Ganesh, Chairman and Promoter of the Company, holding an office or place of profit under the Act, as under, with effect from July 1, 2023:

- a) Remuneration: Salary in the scale of ₹2,75,000/- per month to ₹4,25,000/- per month.
- b) Benefits, perquisites, performance pay, allowances and contributions: As per the policy and rules of the Company as applicable to employee's and Senior Management Personnel, in force from time to time.

Resolved further that the consent of the members be and is hereby also accorded for any promotion and / or change in designation(s) and corresponding change in terms and conditions of employment including remuneration, in the course of his employment with the Company, as per the policy of the Company for the time being in force."

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

Chennai  
May 05, 2023

S Subha Shree  
Secretary

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

## NOTES:

1. The 19<sup>th</sup> AGM of the Company is being conducted through VC / OAVM Facility, in compliance with General Circular No. 10/2022 dated December 28, 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 19<sup>th</sup> AGM shall be the Registered Office of the Company. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting at the AGM.
2. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. **Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
4. Corporate members intending to send their 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 authorizing their representative to the registered email address of the Company i.e., [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com).
5. The cut-off date for the purpose of determining eligibility of members for voting in connection with the Nineteenth AGM is Wednesday, July 19, 2023.
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 19<sup>th</sup> AGM and the annual report 2023 will be available in the Investors page on the Company's website [www.ranegroup.com](http://www.ranegroup.com).
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the Company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:  
**M/s. Integrated Registry Management Services Private Limited**  
SEBI Registration No. INR000000544  
2nd Floor, "Kences Towers", No.1,  
Ramakrishna Street, North Usman Road,  
T Nagar, Chennai - 600 017.  
e-mail ID: [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)  
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has 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 October 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 is available in the investor information section of the website of the Company at the weblink : <https://ranegroup.com/investors/rane-madras-limited-2/>.
11. 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.
12. In compliance with the aforesaid MCA Circulars dated December 28, 2022 and SEBI circular dated January 05, 2023 (read with previous circulars), Notice of the AGM along with the Annual Report 2023 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 2023 will be available on the investors page of the Company's website at [www.ranegroup.com](http://www.ranegroup.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com).
13. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
14. Information pursuant to regulations 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect to 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.
15. 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](mailto:investorservices@ranegroup.com). The same will be replied by the Company suitably.
16. Since the AGM will be held through VC / OAVM, the route map is not annexed in this notice.
17. 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 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 will be available in the investor information section of the website of the Company [www.ranegroup.com](http://www.ranegroup.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins on Sunday, July 23, 2023 at 09:00 AM and ends on Tuesday, July 25, 2023 by 05:00 PM. During this period shareholders of the Company, holding shares either in physical form or

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 requested to visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be 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.

in dematerialized form, as on the cut-off date (record date) of Wednesday, July 19, 2023 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 December 09, 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.

**Step 1: Access through Depositories CDSL / NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

- (iv) Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL /

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

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

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

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

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

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

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

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

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



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

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

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

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Company on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.

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

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

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

- (i) The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for e-voting.
- (ii) 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.
- (iii) 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.
- (iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (vi) 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.
- (vii) 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, July 21, 2023 to Sunday, July 23, 2023 mentioning their name, demat account number / folio number, email ID, mobile number at to [investorservices@ranegroup.com](mailto:investorservices@ranegroup.com). The shareholders who do not wish to speak during the AGM but have queries may too send their queries in advance in the above manner.

- (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
- (ix) 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.
- (x) 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:**

- (i) 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.

- (ii) For Demat shareholders - Please update your email ID & mobile no. with your respective Depository Participant (DP).
- (iii) For Individual Demat shareholders – Please update your email ID & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 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, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

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

Chennai  
May 05, 2023

S Subha Shree  
Secretary

**Registered Office:**  
Rane (Madras) Limited  
"Maithri", No.132, Cathedral Road,  
Chennai - 600 086  
CIN: L65993TN2004PLC052856  
[www.ranegroup.com](http://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 of the Company held on July 20, 2021, had approved payment of commission to Mr. L Ganesh, Chairman, for 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, 2024, 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, financially 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 in item no. 3 of this notice as a **special resolution**.

## Item No.4

At the Annual General Meeting ("AGM") of the Company held on July 31, 2014 the members of the Company had accorded their consent to the Board of Directors of the Company ("Board") for borrowing monies (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) upto Rs. 205 Crores under Section 180(1)(c) of the Companies Act, 2013.

Considering the increase in business activities and the requirements to pursue programs involving capital expenditure and to meet the working capital expenditures, the Board of Directors at its meeting held on May 05, 2023 approved an increase by ₹195 Crores in the limits, to borrow upto ₹400 Crores pursuant to Section 180 (1)(c) of the Companies Act, 2013 subject to the approval of the members of the Company.

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors have the powers to borrow upto a sum not exceeding aggregate of the paid-up share capital, free reserves and securities premium of the Company. As per the said provisions, consent of the Shareholders of the Company by way of Special Resolution, the board of directors are empowered to exercise borrowings.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

The Board recommends resolution as set out in item No.4 of the Notice as a **special resolution**.

## Item No.5

Mr. Aditya Ganesh, Senior Vice President (Operations) joined the Company on September 04, 2017 as General Manager Corporate Planning. He played a key role in handling certain specific projects to enhance global sales, customer engagement and supporting the planning, execution of strategic and annual operating plans of both divisions of the Company viz., Steering and Linkage Division (SLD) and Light Metal Castings India (LMCI). Considering his significant contributions to the business growth and performance of the Company, he was promoted as Vice President – Marketing in October 2018. In this role, he led the marketing function of SLD and supported the business development initiatives of LMCI.

In April 2021, he was promoted to Senior Vice President (Operations) where his contributions have been significant in enhancing operational efficiency of the two plants viz., Varanavasi and Mysore.

Taking into consideration his significant contributions and expertise and the succession plan, for an orderly transition to ensure continued seamless contribution by the business of the two divisions SLD and LMCI, the Nomination and Remuneration Committee has considered and recommended that Mr. Aditya Ganesh be promoted to head the LMCI as President and act as Head of Strategy for SLD, effective from July 01, 2023.

Pursuant to his promotion, corresponding revision to his remuneration, as per applicable policies of Senior Management Personnel (SMP) of the Company was considered by the NRC and recommended to the Board. The revision in remuneration recommended by the Board is commensurate with his qualification, domain expertise and experience and is in line with the prevalent industry standards in India.

Since Mr. Aditya Ganesh, is son of L Ganesh, Chairman and Promoter of the Company, his employment in the Company constitutes 'an office or place of profit' and a related party transaction. Therefore, the proposal has also been reviewed and recommended by the Audit Committee under Section 188 of the Companies Act, 2013.

The members of the Company may note that Mr. Aditya Ganesh was appointed as General Manager - Corporate Planning vide approval accorded by shareholders at the extra-ordinary general meeting held on September 01, 2007 and further at the 15<sup>th</sup> Annual General Meeting held on July 24, 2019, approved the revision to his remuneration and other terms pursuant to Section 188 and other relevant applicable provisions of the Companies Act, 2013 ("the Act").

Mr. Aditya Ganesh is a Mechanical Engineering graduate from PSG College of Technology. He holds Masters' degree in Industrial Engineering from The Ohio State University, USA and Masters' degree in Business Management from INSEAD (France and Singapore). Mr. Aditya Ganesh has over 6 years' experience in the areas of manufacturing & quality management. He had worked with Cummins Inc., USA in the departments of Health, Safety & Environmental and Manufacturing Engineering and played a key leadership role in team management, project management and problem solving areas. Prior to Cummins Inc., USA, he has worked with Rane (Madras) Limited as Supplier Quality Engineer and was involved in supplier quality process audits, planning for new products developments, coordinating TQM activities for the corporate materials team through successful Japan Quality Medal Diagnosis phase.

Disclosures pursuant to para 3 of explanation (1) to Rule 15 of the Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	Mr. Aditya Ganesh
Name of the Director or Key Managerial Personnel (KMP) who is related	Mr. L Ganesh, Chairman
Nature of relationship	Mr. Aditya Ganesh is son of Mr. L Ganesh and is part of the Promoter and Promoter group of the Company.
Nature, material terms, monetary value and particulars of the contract or arrangement	Approval is being sought for revision in remuneration payable to Mr. Aditya Ganesh, President – Rane Light Metal Castings India Division (LMCI) and Strategy Head of Steering and Linkage Division (SLD) as per ordinary resolution furnished under item no.5 of the notice.  He shall continue to be entitled to receive benefits, perquisites, performance pay, allowances, gratuity and contributions, as per the policy and rules of the Company as applicable to Employees and Senior Management Personnel, in force from time to time.
Duration of contract	Mr. Aditya Ganesh, is in employment from September 4, 2017 pursuant to approval accorded by the members at the EGM held on September 1, 2017. The contract of employment 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.
Shareholding in the Company	Mr. Aditya Ganesh holds 0.07% (8,483 equity shares) in the equity share capital of the Company.

In terms of the aforementioned provisions of the Act, based on the approval of the Audit Committee, the Board of Directors at its meeting held on May 05, 2023 has approved the revision in remuneration.

Except for Mr. L Ganesh, 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 in item no. 5 of this notice as an **ordinary resolution**.

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

Chennai  
May 05, 2023

S Subha Shree  
Secretary

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

## Annexure to the NOTICE dated May 05, 2023

Information about Director seeking re-appointment at the 19<sup>th</sup> Annual General Meeting in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2).

Name of the Director	Mr. Harish Lakshman
I. Brief Resume	
Age (in years)	49
DIN	00012602
Father's Name	Mr. L Lakshman
Date of Birth	February 12, 1974
Educational Qualifications	B.E. – BITS Pilani, MSM - Purdue University, USA.
Experience	Mr. Harish Lakshman has over 28 years of industrial experience in various domains like marketing, operations, export business developments and other corporate functions. He spearheads the Rane Group's initiative to achieve accelerated profitable growth. He is one of top 40 Indian business leaders published by ET (2014). He serves as Vice-Chairman of Rane Engine Valve Limited and Rane Holdings Limited.
Nature of expertise	Industrial, technical and operational expertise in automotive and driving business across geographies, governance practices and expertise in allied disciplines.
II. Other details	
Date of Appointment	March 31, 2004
Terms and Conditions of appointment	Re-appointment as a Non-Executive Director, liable to retire by rotation.
Last drawn remuneration	Sitting fee paid for FY 22-23 – ₹ 2,60,000/-
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
Relationship with other Directors / Manager / KMP	Nil
Other Directorships	<p><b>Chairman:</b> Rane t4u Private Limited</p> <p><b>Vice Chairman:</b> Rane Holdings Limited Rane Engine Valve Limited</p> <p><b>Director:</b> Oriental Hotels Limited Rane Brake Lining Limited Rane NSK Steering Systems Private Limited ZF Rane Automotive India Private Limited (fka Rane TRW Steering Systems Private Limited) Young Presidents Organization (Chennai Chapter) Rane Holdings America Inc., USA Rane Light Metal Casting Inc., USA</p>
Committee Memberships in other Boards	<p><b>Chairman:</b> <b>Stakeholder Relationship Committee:</b> Rane Brake Lining Limited</p> <p><b>Member:</b> <b>Audit Committee:</b> Rane NSK Steering Systems Private Limited Oriental Hotels Limited</p> <p><b>Stakeholder Relationship Committee:</b> Rane Holdings Limited</p> <p><b>Nomination and Remuneration Committee:</b> Rane Engine Valve Limited Rane Brake Lining Limited</p> <p><b>Corporate Social Responsibility Committee:</b> Rane Engine Valve Limited Rane Holdings Limited Rane Brake Lining Limited Rane NSK Steering Systems Private Limited</p> <p><b>Risk Management Committee:</b> Rane Brake Lining Limited Rane Holdings Limited</p>



Name of the Director	Mr. Harish Lakshman
Last three years directorship	-
Number of meetings of the Board attended during the year	5
Number of equity shares held (including joint holdings)	750
Number of equity shares held as beneficial owners in the Company	-

# REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Nineteenth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2023 and other prescribed particulars:

## 1. State of Company's affairs

The financial year 2022-23 saw a pick-up in the business at the backdrop of a robust growth of the Indian and global economy. The automotive and auto

components industry faced supply chain challenges due to semiconductor shortage, shipping and logistics constraints.

The Company scaled up the production in line with the demand and worked 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 of the year under review are as follows:

		(₹ in Crores)	
Particulars	2022-23	2021-22	
Revenue from Operations	2,123.55	1,555.00	
Other Income	11.95	6.79	
Profit / (loss) before Depreciation, Finance Costs, Exceptional items and Tax Expense	228.42	133.63	
Less: Depreciation / Amortisation	73.00	61.11	
Profit / (loss) before Finance Costs, Exceptional items and Tax Expense	155.42	72.52	
Less: Finance Costs	27.64	21.05	
Profit / (loss) before Exceptional items and Tax Expense	127.78	51.47	
Add / (less): Exceptional items	(225.89)	-	
Profit / (loss) before Tax Expense	(98.11)	51.47	
Less: Tax Expense (Current & Deferred)	28.43	14.86	
Profit / (loss) for the year (1)	(126.54)	36.61	
Total Comprehensive Income / (loss) (2)	(1.28)	0.04	
<b>Total (1+2)</b>	<b>(127.82)</b>	<b>36.65</b>	
Balance of profit / loss for earlier years	(27.58)	(64.23)	
Less: Transfer to Reserves	-	-	
Less: Dividend paid on Equity Shares	-	-	
Less: Dividend Distribution Tax	-	-	
Balance carried forward	(155.40)	(27.58)	

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 ₹2,086.38 Crores, which is an increase of 36.5% over the previous year. The revenue from Steering and Linkage Division (SLD) products was ₹1,790.76 Crores, an increase of 34.2% over the previous year. The revenue from Light Metal Castings India (LMCI) products was ₹218.42 Crores, which is 71.3% increase over previous year. The auto parts division of the Company registered a turnover of ₹77.20 Crores as against turnover of ₹66.56 Crores recorded during previous year. The Company has netted a Profit After Tax (PAT) of ₹(126.54) Crores, which is (6.1) % of the turnover. This resulted in an Earnings Per Share (EPS) of ₹(77.80) for FY 2022-23 as against ₹23.94 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 and date of the report apart from 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 ₹(155.40) 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. Credit rating

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

#### 1.4. Share Capital

During the year under review, there was no change in capital structure of the Company and as at the year ended March 31, 2023 the paid-up capital of the Company stood at ₹16,26,52,670 consisting of 1,62,65,267 equity shares having face value of ₹10/- each fully paid up.

#### 1.5. 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'.

#### 1.6. Subsidiaries, Associate and Joint Venture Companies

##### 1.6.1. 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 2022-23, LMCA earned revenue of ₹230.89 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 up to Euro 40.79 million for making onward capital infusions in LMCA and meeting administrative expenses. The total equity investments in LMCA through RMIH as on March 31, 2023 stands at US\$43.86 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 'Management Discussion & Analysis Section' 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 2022-23.

#### 1.7. 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](http://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' contains an overview of the role, terms of reference, meetings and 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 during the year under review:

- a. Ms. Vasudha Sundararaman (DIN:06609400) was appointed as an Independent Director by the shareholders at their 18<sup>th</sup> Annual General Meeting of the Company held on June 29, 2022.
- b. Mr. Srinivasan Sandilya (DIN:00037542) Independent Director, retired as per the retirement policy of the Company, effective from the close of business hours on March 16, 2023. He also ceased to be a member / chairman of the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.
- c. Mr. Vikram Taranath Hosangady (DIN:09757469) was appointed on March 16, 2023 as an Additional Director by the Board in the category of Non-Executive & Non-Independent. Shareholders vide postal ballot approved his appointment as a Non-Executive & Non-Independent Director liable to retire by rotation with effect from March 16, 2023.

The Board of Directors are of the opinion that the Director(s) proposed for re-appointment at the ensuing 19<sup>th</sup> AGM of the Company possess integrity, necessary expertise, relevant experience and proficiency and the Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director(s).

The terms and conditions of appointment of Independent Directors have been disclosed in the policies section of the website of the Company and available at the weblink <https://ranegroup.com/investors/rane-madras-limited-2/>.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have further 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 qualified the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2022-23 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 have been debarred or disqualified, from being appointed or continuing as Directors of Companies, by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

## 2.2. Retirement by rotation

Mr. Harish Lakshman, Director (DIN:00012602) retires by rotation at the ensuing 19<sup>th</sup> Annual General Meeting (AGM), being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 19<sup>th</sup> AGM.

## 2.3. Board and Committee Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The gap between any two consecutive meetings of the Board of Directors was less than 120 days. The details of Committee meetings are provided in the Corporate Governance Report. For eligible matters, the Board / its Committees may also accord approvals through resolutions passed by circulation, between two meetings.

## 2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed that the current flow of information was timely and of superior quality and enables them 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 feedback and any 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, strategic business plans and guiding the management were the key focus areas for evaluation of the Board and its Committee functioning.

Ensuring top-level policy framework, creating an open environment for exchange of views besides ensuring effective mechanism for implementing 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 feedback, comments and suggestions received from the directors, discussed with the Board a proposed action plan on matters requiring attention of the Board. The evaluation framework includes mechanism to share evaluation feedback on individual directors to the Nomination and Remuneration Committee, wherever required.

## 2.6. Familiarisation program for Independent Directors

The details of familiarisation programmes for Independent Directors have been disclosed in the policies section of the website of the Company and available at the web-link: <https://ranegroup.com/investors/rane-madras-limited-2/>.

## 2.7. Key Managerial Personnel

During the year under review there are no changes in the Key Managerial Personnel of the Company.

As at the year ended March 31, 2023, Ms. Gowri Kailasam, President – SLD & Manager, 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 has been disclosed in the policies section of the website of the Company and available at the web link: <https://ranegroup.com/investors/rane-madras-limited-2/>. There has been no change in this policy during the financial year 2022-23.

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 18<sup>th</sup> AGM held on June 29, 2022, for payment of commission to Mr. L Ganesh, Chairman, an amount exceeding 50% of total annual remuneration payable to other Non-Executive Directors, for the FY 2022-23. The details of remuneration paid / payable to the Directors during the financial year 2022-23 is furnished in the Corporate Governance report annexed to this report of the Board.

### 3. Audit and allied matters

#### 3.1. Audit Committee

The composition, terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance report section of the Annual Report. The Audit Committee of the Board acts in accordance with the terms of reference, which is in compliance with the provisions of Section 177 of the 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. B S R & Co., LLP, Chartered Accountants (Firm registration Number 101248W/W-100022) (BSR) hold the office of Statutory Auditors of the Company, in terms of Section 139 of the Companies Act, 2013 read with applicable rules thereunder and as per the members approval accorded at the 16<sup>th</sup> Annual General Meeting for a first term of five consecutive years i.e., from the conclusion of the 16<sup>th</sup> AGM (2020) till the conclusion of 21<sup>st</sup> AGM (2025).

The statutory auditors report to the members for the year ended March 31, 2023 does not contain any qualification, reservation, adverse remark or disclaimer. Also there has been no instance of fraud reported by the statutory auditors for the period under review.

#### 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 necessitates 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 as Secretarial Auditors for the FY 2022-23. The Secretarial Audit report pursuant to Section 204 of the Companies Act, 2013 is annexed in 'Annexure B' and was taken on record by the Board of Directors at its meeting held on May 05, 2023. The report does not contain any qualification, reservation, adverse remark or disclaimer.

#### 3.5. Internal Auditor

The Company had appointed M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditors for a period of one year from January 01, 2022 till December 31, 2022. Based on the recommendation of Audit Committee and after considering the proposal from the management, the Board of Directors of the Company at their Meeting held on February 08, 2023 approved the re-appointment of M/s. Deloitte Touche Tohmatsu India LLP for a further period of 1 (one) year commencing from January 01, 2023 to December 31, 2023.

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 including financial reporting. Internal Auditor findings are discussed with the process owners and suitable corrective actions are 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:

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



## 5. Related Party Transactions (RPT)

All RPT 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 under 'Annexure F' 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 RPT are placed before the Audit Committee and the Board, wherever required 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.

All the RPT that requires prior approval of the Audit Committee is being approved by the Independent Directors who are the members of the Committee.

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 have any pecuniary relationships or transactions with the Company. The policy on Related Party Transaction as approved by the Board has been disclosed in the policies section of the website of the Company and available at the web link: <https://ranegroup.com/investors/rane-madras-limited-2/>.

None of the Directors or Key Managerial Personnel or Senior Management Personnel have any material, financial and commercial transactions (except 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 of Mr. L Ganesh, as Committee Chairman, Mr. Harish Lakshman, Director and Ms. Vasudha Sundaraman, Independent Director, as its members.

During the year, the Company has contributed a sum of ₹0.57 Crores on various CSR activities as per the CSR policy and Annual Action Plan recommended by the CSR Committee. 'Annexure C' to this report contains the annual report on CSR activities of the Company for FY 2022-23. The CSR policy of the Company has

been disclosed in the policies section of the website of the Company and available at the weblink <https://ranegroup.com/investors/rane-madras-limited-2/>.

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 2022-23.

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

'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. Particulars of Directors, Key Managerial Personnel and Employees

The statement in terms of Section 197(12) read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is enclosed as an 'Annexure' to this report.

Pursuant to Section 136(1) of the Companies Act, 2013, the report of the Board of Directors is being sent to the shareholders of the Company excluding the statement prescribed under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The statement is available for inspection by the shareholders at the Registered Office of the Company during business hours.

## 10. Risk Management

The Risk Management Committee of the Board periodically reviews the risk management policy and its procedures.

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 risks 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 in 'Annexure E' to this report.

## 11. Other disclosures

- 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.
- The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors' Report.

- c. There was no significant / material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d. The policies approved and adopted by the Board have been made available on the Corporate Governance section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-madras-limited-2/>.
- e. The copy of the Annual Return is available on the Corporate Governance Section of the website of the Company at the weblink <https://ranegroup.com/investors/rane-madras-limited-2/>.
- 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 requirement for Business Responsibility and Sustainability Reporting is not applicable to the Company for the year under review since it does not fall under the top 1,000 listed companies based on market capitalisation.
- h. 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.
- i. The Company does not accept any deposits falling under the provisions of Section 73 of the Companies Act, 2013 and the rules framed thereunder.
- j. The Company has established a formal vigil mechanism under '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 the employees and state their complaints / grievances.
- k. The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the

Company. The Company carries 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 – Nil

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

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

- l. The Company has not printed physical copies of the Annual Report for distribution in view of the exemptions available vide General circular 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs ("MCA") read with previous circulars in this regard and SEBI Circular dated January 05, 2023. 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 19<sup>th</sup> AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants.

#### Annual General Meeting

- m. The 19<sup>th</sup> AGM would be conducted through video conferencing or other audio visual means on Wednesday, July 26, 2023 at 14:00 hrs (IST), as per the framework notified by the Ministry of Corporate Affairs. The notice convening the 19<sup>th</sup> 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

	<b>Harish Lakshman</b>	<b>Ganesh Lakshminarayan</b>
Chennai	Vice-Chairman	Chairman
May 05, 2023	DIN:00012602	DIN:00012583

# 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 in a single reportable segment viz., components for the transportation industry.

## 2. Economic Review

### 2.1. Global Economy

The global economy is estimated to have grown by 3.4% in 2022 on the back of slowdown in the US and European economy and lockdowns in China due to zero Covid policy adopted by the government. Global manufacturing and trade activity weakened amidst slowing demand due to aggressive global rate hiking cycle adopted by central banks to curb inflation. U.S. manufacturing activity grew at a slow pace as new orders contracted amid increase in interest rate by the Federal Reserve to tame inflation. Europe grappled with high energy prices resulting in slowdown in economic activity and led to decline in business and consumer confidence. Covid-19 outbreaks and subsequent lockdowns hurt consumer spending in China and disrupted global supply chains.

The global economic activity is witnessing downturn amidst high inflation and resulting tighter monetary policy, geopolitical tensions which have disrupted supply chain and led to unprecedented rise in prices. The global growth is estimated to slow to 2.8% in 2023. The growth in the US economy is expected to decelerate to 1.6% in 2023 on the back of declining real disposable income and subdued demand amid tighter policy environment. Growth in China is expected to revive to 5.2% in 2023 due to the easing of stringent pandemic related restrictions, favourable policy support from the government and benefit of a low base in 2022. While the historic global tightening could rein in inflation, it could also restrict economic growth in US and Europe.

### 2.2. Indian Economy

Indian economy continued to be one of the fastest-growing major economies despite growing at an estimated 7.2% in FY23 and has shown higher resilience to global shocks on the back of strong government capital spending and private demand. The growth momentum was supported by recovery in the labour market and increasing credit to the private sector. However, the growth was slightly impacted due to ongoing policy tightening to curb high inflation. Weakening of the rupee and high oil prices continued to exert upward pressures on inflation and along with geopolitical uncertainty, dampened growth momentum in the manufacturing and mining sectors. However, agriculture, electricity, construction, and services sector witnessed robust

growth amid persistent global headwinds and business sentiment and consumer demand remained relatively strong.

According to International Monetary Fund (IMF), India's GDP growth is expected to moderate to 5.9% in FY24 on the back of weaker external demand and tighter financial conditions. The RBI is likely to shift its stance from policy tightening to growth considerations once inflation cools off. The growth dynamics remain strong and economic growth momentum is likely to be boosted by growth in services activity, uptick in government capital expenditure and pick up in manufacturing activity. India continues to remain a bright spot amidst global uncertainties and the domestic demand-led economy is less likely to be impacted by the global slowdown. Moreover, increased infrastructure spending along with various supportive measures by the government is likely to support private investment and increase in manufacturing activities. However, sharp slowdown of global growth along with supply chain disruptions due to intensifying war in Ukraine could disrupt global food and energy prices and weigh on export and investment growth thereby impacting Indian economy.

## 3. Industry Review

### 3.1. Global Automobile Industry

The U.S. auto industry posted lowest sales in more than a decade with new-light vehicle sales declining by 8.2% YoY to 13.7 million units due to semiconductor shortage and other supply chain related issues which impacted production volumes. Electric-vehicle sales accounted for nearly 6% of the retail market in the U.S. in 2022, up from about 3% in the prior year. The National Automobile Dealers Association (NADA) expects the U.S. new-vehicle sales to increase by 6.6% to 14.6 million units in 2023 despite higher borrowing costs on the back of resolution of supply chain constraints and considerable pent-up demand in the market.

According to European Automobile Manufacturers' Association (ACEA), the European Union passenger car market contracted by 4.6% to 9.3 million units in 2022 on the back of ongoing supply chain pressures amidst geopolitical conflicts between Russia and Ukraine. Production constraint due to semiconductor shortage impacted supply side during the first half of the year while slowdown in the economy and rising interest rates impacted consumer confidence thereby slowing down demand. The auto volume is expected to pick up in 2023 on the back of easing of supply side bottlenecks. However, the demand side could face headwinds in the form of slowdown in economic activity, high interest rate and increasing fuel cost leading to decline in consumer confidence.

The global automotive industry faced headwinds in the form of weakening macroeconomic environment, supply chain disruptions, tighter monetary policy

and diminishing consumer demand. Pressure due to elevated energy prices, high cost of production and slowing demand impacted the industry. Amidst these challenges, adoption of electric vehicles accelerated during the year on the back of various stimulus measures by policymakers globally to meet decarbonisation targets. The industry is at a crossroad and is witnessing disruptions across technology, vehicle connectivity and consumer preferences. Aggressive EU policy to cut emissions from cars and vans is likely to lead to quick transition to electric vehicles. Shift towards greener transportation medium and increasing adoption of technology such as integration of autonomous features across safety, driving and parking will play an increasingly important role in paving the path to the future for the industry.

### 3.2. Indian Automobile Industry

The Indian automobile industry witnessed robust growth during the financial year after having faced slight hiccups in the previous year due to pandemic induced supply chain disruption and higher commodity cost.

The Passenger Vehicles (PV) segment achieved a new peak volume due to the launch of new models, continuous supply improvement, and robust demand for UVs, resulting in healthy bookings. The PV segment registered a volume increase of 25%. Utility Vehicles (UV) segment continued to witness strong demand led by new launches and better technologies resulting in volume growth of 33% whereas the Passenger Cars (PC) segment volume increased by 18%. Rising cost of ownership for entry segment cars has been a major deterrent for pick-up in demand despite higher discount levels.

Pick-up in economic activities and infra push by the government led to improved demand in the infrastructure and construction sectors resulting in improved freight availability, better fleet utilization, pick up in replacement demand and increasing demand for e-commerce and last-mile delivery. As a result, Commercial Vehicles (CV) segment witnessed volume growth of 28%. In addition, opening of school and offices also supported the demand in the bus segment. The Medium and Heavy Commercial Vehicles (M&HCV) segment continued to experience positive momentum and registered an increase of 37% due to improving fleet operators' profitability and better fleet utilization levels on the back of pick up in infrastructure activities. 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 growth of 29% on the back of surge in e-commerce and better last mile connectivity. The Small Commercial Vehicles (SCV) segment reported volume growth of 11%.

Despite price hikes taken by OEMs and increase in interest rates, Tractors experienced 11% growth on the back of better crop realization and reached all-time high volumes.

Although weak exports along with elevated cost of ownership impacted off-take in volumes, the two-wheelers segment witnessed 10% growth on the low base supported by a good festive season and increasing consumer interest in EVs.

Industry Segment (Production figures)	Growth in % (YoY change)	
	FY23	FY22
<b>Vehicles</b>		
Passenger Cars (PC)	18	4
Utility Vehicles (UV)	33	43
Multi-Purpose Vans (MPV)	23	7
Passenger Vehicles (PV)	25	19
Small Commercial Vehicles (SCV)	11	24
Light Commercial Vehicles (LCV)	29	18
Medium & Heavy Commercial Vehicles (M& HCV)	37	50
Commercial Vehicles (CV)	28	29
Farm Tractors (FT)	11	(3)

Source: Society of Indian Automobile Manufacturers (SIAM)

## 4. Business Review

### 4.1. Domestic Market

The sales of the Company during FY 23 grew by 34.8% in the domestic market. While the gravity of the semiconductor shortages and commodity price fluctuations situation eased yet not completely settled, the geo-political conflict between countries and its related challenges took prominence. In spite of these, the Company made remarkable sales growth across all segments in the domestic market. Company did its highest ever sale in all segments like OEMs, OES and After Market. Automotive industry held a huge order backlog and hence was performing better through all the quarters of the year. Company also secured new orders from existing customers and also acquired new customers through the year. Company focussed on developing various new products for the After Market segment which will help the Company to increase its range and higher sales in the market for years to come.

The Light Metal Casting Products had a strong growth in PV, HCV, EV and FT segments due to increased market demand as well as new product introduction. The overall domestic sales increased by 73%. However, the Aluminum prices continued to escalate, which had an impact on the top line.

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

Products	₹ in Crores		
	FY 23	FY 22	Growth in %
Steering Gear Products	747.60	587.50	27.3%
Suspension and Linkage Products	448.88	317.59	41.3%
Hydraulic Products	107.94	76.76	40.6%
Light Metal Casting Products	128.41	74.22	73.0%
Other Automotive Parts	74.51	62.04	20.1%
<b>Total</b>	<b>1,507.34</b>	<b>1,118.11</b>	<b>34.8%</b>

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



(₹ in Crores)

Market	FY 23	FY 22	Growth in %
OEM & OES	1,236.31	889.97	38.9%
Aftermarket	271.03	228.14	18.8%
Total	1,507.34	1,118.11	34.8%

#### 4.2. Exports

Exports sales saw a significant growth during the year and achieved an increase of 41% over the previous year. New businesses / volume increase from China, Korea, Brazil, Mexico and US aided for the strong growth. The growth is seen across all the product lines. Company continued to maintain a global lead in ATV mechanical steering business and aggressively growing in Passenger Cars and Ball joints businesses.

Light Metal Casting Products exports grew by 69% due to strong demand from OEMs for the secured new businesses, whose realization happened in FY 2022-23.

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

(₹ in Crores)

Products	FY 23	FY 22	Growth in %
Steering Gear Products	364.59	283.44	28.6%
Suspension Linkage Products	119.76	65.47	82.9%
Hydraulic Products	1.99	3.98	(50.0)%
Light Metal Casting Products	90.01	53.27	69.0%
Other Automotive Parts	2.69	4.51	(40.4)%
Total	579.04	410.67	41.0%

#### Standalone

Sl. No.	Key Ratios	March 31, 2023	March 31, 2022	Reason for change in FY 23
1	Interest Coverage Ratios (turns)	5.62	3.44	Due to higher revenues and profits
2	Operating Profit Margin (%)	7.4%	4.7%	
3	Net Profit Margin (%)	(6.0)%	2.4%	Due to fair value loss recognised as an exceptional item in relation to investments
4	Return on Networth (%)	(40.7)%	10.7%	Due to higher revenues and profits
5	Debt Service Coverage	2.28	1.70	
6	Net capital turnover ratio	(39.71)	(21.37)	Due to higher term loan repayment in next 12 months and increase in working capital loan
7	Return on Capital Employed (%)	20.1%	8.8%	Due to higher revenues and profits

#### Consolidated

Sl. No.	Key Ratios	March 31, 2023	March 31, 2022	Reason for change in FY 23
1	Interest Coverage Ratios (turns)	3.09	(0.08)	Due to higher revenues and profits
2	Operating Profit Margin (%)	4.4%	(0.1)%	
3	Net Profit Margin (%)	1.3%	0.6%	Due to higher revenues and profits
4	Return on Networth (%)	12.8%	5.2%	
5	Debt Service Coverage	1.62	0.71	Due to higher term loan repayment in next 12 months and increase in working capital loan
6	Net capital turnover ratio	(38.17)	(21.35)	
7	Return on Capital Employed (%)	11.5%	(0.2)%	Due to higher revenues and profits

#### 4.3. Operational and Financial Performance

##### 4.3.1. Financial Review

##### Standalone Financial Highlights

The Company registered sales of ₹2,086.38 Crores, an increase of 36.5% 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 ₹2,086.38 Crores in FY23 from ₹1,528.78 Crores in FY22.
- EBITDA increased to ₹228.42 Crores in FY23 from ₹133.63 Crores in FY22.
- Net loss of ₹126.54 Crores in FY23 as against a Net profit of ₹36.61 Crores in FY22. The Net loss of ₹126.54 Crores was arrived after considering an exceptional expense of ₹225.89 Crores consisting of ₹223.28 Crores as a reduction in the fair value of the Overseas Investment and VRS expenditure of ₹2.61 Crores as on March 31, 2023.

##### Consolidated Financial Highlights

- Revenue from sale of products increased to ₹2,313.75 Crores in FY23 from ₹1,711.74 Crores in FY22.
- EBITDA increased to ₹200.36 Crores in FY 23 from ₹79.47 Crores in FY 22.
- Net profit of ₹30.02 Crores in FY23 as against a Net profit ₹10.66 Crores in FY22. The Net profit ₹30.02 Crores was arrived after considering an exceptional expense of ₹11.66 Crores consisting of ₹9.05 Crores as an asset impairment provision recorded for the LMCA fixed assets and VRS expenditure of ₹2.61 Crores as on March 31, 2023.



### 4.3.2. Operations and Manufacturing Review

After a turbulent FY22, the demand for the Steering and Linkages business was strong throughout the year across all the segments / product lines. All plants achieved their best ever performance with Sales, Cost, Delivery and Quality across customers and geographies. Plants contributed by working on all cost elements and kept them under control helping the Company to protect its profit margins. Capacity additions were made to cater to the increased demand of customers both in domestic and exports. Manufacturing facilities were also upgraded on par with global competitors, as planned, to enhance the Company's capabilities to meet the stringent Quality and Delivery expectations. The plants also operated effectively by optimising the capacity and working 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.

The Company's new plant at Maraimalai Nagar acquired from M/s. Yagachi Technologies Private Limited completed its first full year of operation. The integration of this plant with the operations of the Company had been successful and flawless. The Company has also moved this plant and integrated it with its Varanavasi Plant to enhance the operational and cost efficiencies.

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, seamless launch of new products was the main focus during FY 22-23. The initiatives taken to improve the availability of the machines, set up time reduction and cycle time reduction in Casting to improve productivity were pursued during the FY 22-23 also. These initiatives helped to improve the Overall Equipment Effectiveness (OEE) enhancement of Diecasting machines and thereby improving the capacity. The capacity utilisation of this division improved significantly to about 72% in Q4 after nearly two years of very low utilisation.

#### 4.4. Rane Light Metal Castings Inc., USA (LMCA)

The management has been focusing in the last couple of years on business development and operational improvements. The former initiative has had reasonable success. The latter has helped improvement in Q, C and D metrics. However, the recovery post Covid in the US market has not happened. While the semiconductor shortage has somewhat eased, the US auto industry has entered into a phase of slowdown. This has resulted in poor offtake in the new business developed and even existing products. The turnaround planned in LMCA has had a major setback. The Board is closely monitoring the situation and decided to restrict future investments and also review the best decision regarding the future of this business in the long term interests of the Company.

#### 4.5. Pursuit of Business Excellence

The Company continued to follow and practice TQM initiatives and principles which has given immense benefits over the years. The strong performance and

results can be largely attributed to the TQM practices that the Company has imbibed as its way of work. This has helped the Company to identify its strengths and areas of improvement and guide it towards a sustainable and measurable success. At fixed intervals, processes and systems across functions are reviewed for its adequacy, relevance and sustenance to achieve overall organizational / self-development goals. As a recognition for such efforts, the Company won the following awards during the year:

- Overall best performance award from Maruti Suzuki
- Best Kaizen award from Ashok Leyland
- National / Regional awards from ACMA / Quality forums
- "Great place to work" for the 5<sup>th</sup> consecutive year

#### 4.6. Opportunities and Threats

The Indian automotive industry remains well placed to ride strong growth momentum as the industry focuses on reducing reliance on imported products and working towards developing a strong domestic supplier ecosystem. In order to remain relevant and stay ahead of the curve and establish the country as a global auto component manufacturing hub, it is equally important to make investments in technology and work towards fully digitalizing manufacturing and non-manufacturing operations.

Although, there are positive factors driving the demand environment, supply chain constraints leading to shortage of chips, high cost of raw material, increase in logistics cost and rising fuel prices could impact growth for the industry. Moreover, implementation of new regulations to meet the stringent second phase of BS VI emission norms has resulted in increase in the cost of the vehicles, and this coupled with global recessionary trend and elevated geopolitical tensions could impact growth of the industry.

#### 4.7. Outlook

The Indian automotive industry is likely to witness sustained growth momentum going forward despite minor headwinds in the form of rising interest rates and cost increases due to new emission and safety norms. Introduction of vehicle scrapping policy for scrapping and replacing old vehicles is likely to aid growth of the industry. Adoption of Electric Vehicles (EVs) is expected to accelerate in the coming years as EV becomes more cost competitive on the back of supportive government policies, enhanced charging infrastructure and consumer willingness to move towards clean and sustainable mobility solution.

Light Metal Casting business in India is in the process of launching several new programs to SOP in the FY 23-24 which will further improve its capacity utilization and revenue growth. The US subsidiary has gained customer confidence and growing both within the customer and adding new customers.

### 5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing 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 their impact on the business. The top management reviews the strategic risks, and 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 process 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 International business – Product recall or launch delay or brand image getting affected due to quality issues.	a) Product liability coverage ensured in line with international sales. Coverage value to be increased from ₹100 Crs to ₹150 Crs in 2023-24. b) Automated assembly line with inbuilt quality controls, traceability system for high volume projects.
	Growth	High dependency on one product (R&P) for future growth (45 % of SBP growth). High dependence on existing customers for International business growth.	a) New range product expansion in FT, SCV, LCV applications – gear pump, EPS. b) Focused new business development in ball joint – Export. c) Domestic market opportunity in Hydraulic products (with unserved customers). d) Target business development with Global Steering gear suppliers like ZF, RFQs generated and technical reviews in progress. e) Expand new businesses with Global Tire 1s.
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.
Financial	Currency Risk	Exposed to foreign currency exchange risk as the Company exports its 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

### 6.1. Talent Development Initiatives

In FY 2022-23, the Company focused on the following talent development initiatives:

#### Leadership Development

#### 6.1.1. Young Leadership Development (YLD)

The objective of YLD is to facilitate the development of leadership competencies of first time managers and to provide young leaders relevant exposures and high

quality learning experiences thereby strengthening the leadership bandwidth at middle management. The fifth and sixth batch with 20 participants underwent 5 days of classroom sessions across 3 modules facilitated by Shri Dharmasthala Manjunatheshwara Institute for Management Development (SDMIMD).

#### 6.1.2. High Potential Leadership Development (HPLD)

The objective of HPLD is to build leadership competencies of high potential talent and strengthen the leadership pipeline. Overall 24 employees were engaged in HPLD intervention. Employees from the

seventh batch completed their one-year development journey and worked on Action Learning Projects (ALP) in teams to address critical organizational challenges. Participants worked on the projects under the guidance of Prof. Suresh Srinivasan from Great Lakes Institute of Management and made project presentations to business leaders for their inputs.

HiPos from the eighth and ninth batch began their leadership development journey through a Development Center. The developmental inputs focussed on Rane leadership competencies to facilitate career transitions to leadership roles.

#### 6.1.3. Leader as Coach

The objective of "Leader as Coach" is to cultivate appreciation of behavioural change and encourage the culture of development. The leaders were provided with insights on the elements of individual development through the concept of breakdown, skill, practices & reflection and four different dimensions of individual development as part of facilitator led sessions. Participants have periodic one-on-one conversations with coach on using these coaching techniques for team and self-development. 3 leaders underwent the third batch of "Leader as Coach" intervention.

#### 6.1.4. Rane Manufacturing Systems Professionals (RMSP)

RMSP was introduced as a Professional Course in 2017 with the objective of 'Building Manufacturing Capability'. The Gemba based intervention is for junior and middle management employees in Manufacturing, Manufacturing Engineering, Quality Assurance and Plant Engineering functions.

Having seen five years of implementation a need was felt to link the initiative to plant level performance and focus on depth of coverage in addition to breadth of coverage. In August 2022, it was decided to conduct an in-depth study on repurposing RMSP to analyze the impact and make improvements as necessary by taking inputs of all stakeholders. The repurposed version RMSP 4.0 was designed with the objective to "Enhance Manufacturing Capability through Technical proficiency for Significant improvement in Plant Performance". RMSP 4.0 will be rolled out in April 2023 and region wise awareness sessions were organised for highlighting the importance and impact of RMSP 4.0 across the group.

#### 6.2. Performance Assessment & Development System (PADS) Refresh

As a process the Company looks at revamping its performance management system, PADS every 5 years understanding the value the present system brings to the organization. With an intention to discover on how it enables the employees to perform it had multiple rounds of focus group discussions across various locations then the Company assimilated points for its process enhancement. Along with points that came out of focus group discussions the Company also did benchmark study of various practices across industry to design a refreshed process, PADS 7.0 with effect from April 2023, for the FY 24.

PADS 7.0 is a transformation from an event based performance management to a continuous performance management. The intervals between the manager/

employee conversations is shortened by adding of 5 conversations between manager and employee comprising of 2 performance conversations and 3 development conversations in a year which was previously limited to only one conversation. This will enable frequent conversation on performance and development between manager/employees. Thus, the Company is transforming from managing performance to enabling performance of employee.

This also gave the Company an opportunity to look at how it can simplify the system which enables the performance management process. The Company redesigned the forms and competencies such that it becomes easy and simple for employees to access it and enter details. The system is also designed to track and measure completion of development milestones.

#### 6.3. Great Place to Work (GPTW)

The Rane Group believes in continuous improvement in all aspects of its operations. Employee satisfaction and engagement are key to its growth as business performance. Therefore, to give the employees a platform to express their views in a free and open manner, Rane has been conducting an Employee Opinion Survey for almost a decade. An external consultant would administer the survey, share the findings, and help in identifying the strengths and areas of opportunity. As the organisation grew, there was a need to find other models that accurately and efficiently captured employee views and helped to benchmark against the best in keeping the employees happy. GPTW is a globally recognized body that helps businesses create a sustainable, high trust, high-performance culture. Since 2008-2009, Rane Group has been participating in the survey and using the findings to fine-tune the employee engagement and development programs. Subsequently, individual Rane companies have been participating in the survey. RML was certified with GPTW for 5<sup>th</sup> year in a row.

#### 6.4. Wellness at Rane

Rane Group is committed to promoting a healthy and positive work environment for its employees. The Company has partnered with The Wellness Corner which provides holistic wellness solutions to prioritize the health and well-being of the employees. With the launch of its wellness initiative, the Company is taking a proactive approach in improving the employee well-being and creating a supportive work environment. The employees are encouraged to participate in challenge circles to reinforce adoption of healthy habits such as regular exercise, mindful eating etc.

Rane Premier League is one such event to celebrate the togetherness and also craft a workplace wellness. Rane Premier League (RPL), a first of its kind cricket tournament was held among the group entities of Rane. They nominated their best cricketers who were enthusiastic to bring home the trophy. The Company had a total of 9 teams who fought for winner and runner up awards.

Chennai Marathon is yet another event which saw good participation from Rane Group as part of wellness initiative. The Chennai Marathon is the largest sporting event in Chennai. This year, 146 employees from the Rane Group participated in the Chennai Marathon.

## 6.5. Industrial Relations

During the financial year, long-term wage settlements with the employee union at Varanavasi, Pantnagar and Bollaram 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 2022-23, the Group implemented several projects by primarily focusing on Education.

The Company contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education during the FY 2022-23.

### 7.1. Education

The Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its twelfth academic year. The institution is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. So far 1694 students have completed their diploma program and 167 students have completed the program in the academic year 2022-23. Out of 167 students, 127 opted for placements and 100% placement was achieved for the FY 2022-23 batch.

Rane Vidyalaya, established at Trichy in the year 2018 under the aegis of Rane Foundation has stepped into its fifth academic year. Rane Vidyalaya is recognized by Directorate of School Education, Tamil Nadu in 2018 and is affiliated to the Central Board of Secondary Education, New Delhi. In 2022-23, it reached a student strength of 634 in its fifth year of operations, operating from LKG to VIII standard proving the need for a quality school in rural area.

Rane Foundation in association with Maithree organized pre-vocational training to 10 special children between the age group of 14 to 18.

Rane Foundation made a contribution to TN Arya Samaj Educational Society towards DAV School project at Pallikarnai.

Rane Foundation extended support to the Gopalapuram Educational Society towards running & maintenance of Boys & Girls Schools.

### 7.2. Healthcare, Community Development and Environment

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 2022-23 are as follows:

- Restoration of pond in Mannadipet Commune Panchayat, Pondicherry by deepening, desilting, bunding and carrying out other maintenance activities. This restored the condition of the water body and improved the local bio-diversity. Nearly 500 villagers benefitted through this project.
- Installed interactive smart board at Panchayat Union Middle School, Navamalmarudur, Kandamangalam, Pondicherry to improve the learning effectiveness. The school has students up to fifth standard and 450 students benefitted through this project.
- Installed 2 RO water plants at Alavur village in Government Elementary School, Varanavasi village thus enabling 600 people to have access to clean drinking water.
- Desilting and restoration of a canal leading to pond in Varanavasi village thus enhancing the water storage level.
- Adequate sanitation and hygiene facilities in schools are critical to create a healthy and positive environment for children to enhance their learning and development. To improve the same, the Company launched a school sanitation program to augment school infrastructure in Government Higher Secondary School.

7.3. **CSR Monitoring mechanism** – To ensure continuity in Company's CSR initiatives, the Company monitors the previous two-year projects through regular visits and extend its 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 that the assets are safeguarded.

The internal audit function is outsourced to a professional firm. 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 believes 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, 2023

**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, 2022 to March 31, 2023 ('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, 2023, 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, 2023, 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, to the extent applicable to an Issuer Company.
- (iv) The 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; and
  - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE), in relation to listing of Equity shares of the Company ('Listing Agreements').
- (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, 2023, 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 generally 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 and Postal Ballot), mentioned in paragraph 1.1 (vii) above.



1.3. We are informed that, on account of non-applicability / non-occurrence of any relevant event, 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 of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards – 4 (SS-4) on 'Report of the Board of Directors' (non-mandatory)
- (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 April 1, 2022, the Board of Directors of the Company comprised of:
  - (a) 2 (two) Non-Executive Non-Independent Directors; and
  - (b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) During the year, 1 (one) Non-Executive Non-Independent Director was appointed with effect from March 16, 2023, and 1 (one) Independent

Director retired effective from the close of business hours on March 16, 2023, as per the retirement policy of the Company. The Company was not required to appoint a new Independent Director in the vacancy created by such retirement, since it fulfilled the requirement of the minimum number of Independent Directors on its Board of Directors even without making such appointment.

- (iv) As on March 31, 2023, the Board of Directors of the Company comprises of:
  - (a) 3 (three) Non-Executive Non-Independent Directors; and
  - (b) 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- (v) The Company is 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).
- (vi) The process relating to the following changes in the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:
  - (a) Re-appointment of Mr. Ganesh Lakshminarayan (DIN:00012583) as a Director, upon retirement by rotation at the 18<sup>th</sup> Annual General Meeting held on June 29, 2022.
  - (b) Retirement of Ms. Anita Ramachandran (DIN:00118188) as an Independent Director, at the conclusion of the 18<sup>th</sup> Annual General Meeting held on June 29, 2022, on completion of second term as an Independent Director.
  - (c) Appointment of Ms. Vasudha Sundararaman (DIN:06609400), as an Independent Director, not liable to retire by rotation, at the 18<sup>th</sup> Annual General Meeting held on June 29, 2022, by way of a Special resolution, to hold office for a term of 5 (five) consecutive years, with effect from June 29, 2022 upto the conclusion of the 23<sup>rd</sup> Annual General Meeting or June 28, 2027, whichever is earlier.
  - (d) Retirement of Mr. Srinivasan Sandilya (DIN:00037542) as an Independent Director, as per the retirement policy of the Company, effective from the close of business hours on March 16, 2023.
  - (e) Appointment of Mr. Vikram Taranath Hosangady (DIN:09757469) as an Additional Director (Non-Executive, Non-Independent), with effect from March 16, 2023, subject to approval of shareholders of the Company. Mr. Vikram Taranath Hosangady was subsequently appointed as a Non-Executive, Non-Independent Director, liable to retire by rotation, with effect from April 20, 2023, by way of Ordinary resolution passed through Postal ballot process on April 20, 2023.

## 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 specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:

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

The Company has made further investment aggregating to Euro 8.88 million [₹95.62 Crores (approx.)] in Non-Convertible Redeemable Preference Shares (NCRPS) of Rane (Madras) International Holdings B.V., The Netherlands (RMIH), a wholly-owned subsidiary, during the year. The aggregate amount of such investment stands at ₹365.34 Crores (with fair value of ₹36.57 Crores) as on March 31, 2023.

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

Company Secretaries

[Firm Unique Identification No. P1994TN045300]

[Peer Review Certificate No.739/2020]

**K Sriram**

Partner

Membership No.: F6312

Certificate of Practice No.: 2215

UDIN: F006312E000260027

Place: Chennai

Date: May 05, 2023

## 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, 2023, is to be read along with this letter.

### 1. Management's Responsibility:

The Company's management is responsible for maintenance of secretarial records, making the statutory / regulatory disclosures / filings and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards.

### 2. Secretarial Auditors' Responsibility:

Our responsibility as a Secretarial Auditor is to express an opinion on the compliance with the applicable laws and maintenance of records based on our audit.

3. 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 and the audit was conducted in accordance with applicable Auditing Standards issued by the Institute of Company Secretaries of India. Those Standards require that the Auditor comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

4. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We have also examined the compliance processes and procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.

5. 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, 2023, 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, in respect of various compliance related events as stated therein.

6. We have not verified the correctness and appropriateness of the financial statements, 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.

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

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

9. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

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

[Firm Unique Identification No. P1994TN045300]  
[Peer Review Certificate No.739/2020]

**K Sriram**  
Partner

Membership No.: F6312  
Certificate of Practice No.: 2215  
UDIN: F006312E000260027

Place: Chennai  
Date: May 05, 2023

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

**ANNUAL REPORT ON CSR ACTIVITIES**

for the Financial Year 2022 - 23

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

The Company's Corporate Social Responsibility (CSR) philosophy is to contribute towards its societal responsibilities beyond statutory obligations and 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 2022-23**

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 Vidyalyaya at Trichy, Tamil Nadu. Rane Polytechnic is accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program. 100% placement was achieved for the FY 2022-23 batch.

Rane Vidyalyaya 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 VIII standard. During the year, it reached a student strength of 634 in its fifth year of operations and proving the need for a quality school in rural area.

The Company also contributed to several other major CSR activities carried out by the company during FY 2022-23:

- Restoration of pond in Mannadipet Commune Panchayat, Pondicherry by deepening, desilting, bunding and carrying out other maintenance activities. This restored the condition of the water body and improved the local bio-diversity. Nearly 500 villagers benefitted through this project.
- Installed interactive smart board at Panchayat Union Middle School, Navamalmurudur, Kandamangalam, Pondicherry to improve the learning effectiveness. The school has students up to fifth standard and 450 benefitted through this project.
- Installed 2 RO water plant at Alavur village and other in Government Elementary School, Varanavasi village thus enabling 600 people to have access to clean drinking water.
- Desilting and restoration of a canal leading to pond in Varanavasi village thus enhancing the water storage level.
- Adequate sanitation and hygiene facilities in schools are critical to create a healthy and positive environment for children and to enhance their learning and development. To improve the same, we launched a school sanitation program to augment school infrastructure in Government Higher Secondary School, Kichha, Rudrapur, US Nagar with 3 sanitation units, which benefited 300+ children.

**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 is headed by the Board CSR Committee. 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.	Mr. Harish Lakshman, Committee Member	Non-Executive and Promoter Director		
3.	Ms. Vasudha Sundararaman, Committee Member	Non-Executive and Independent Director	NA	NA

**Note:**

1. Ms. Anita Ramachandran ceased to be member w.e.f. June 29, 2022. She attended one (1) CSR Committee meeting held on May 20, 2022.
2. During the year, Mr. S Sandilya was inducted as a member of the Committee on June 30, 2022 and ceased to be member w.e.f. March 16, 2023.
3. Ms. Vasudha Sundararaman was inducted as a member of the Committee w.e.f. March 16, 2023.

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	President – SLD & Manager
Mr. D Sundar	President – LMCI
Mr. B Gnanasambandam	Executive 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/investors/rane-madras-limited-2/>
- (b) CSR Policy and CSR projects approved by the Board: <https://ranegroup.com/investors/rane-madras-limited-2/?rml-cor-5>

4. Provide executive summary along with web-link(s) 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. (a) Average net profit of the Company as per sub-section (5) of section 135

(Amount in ₹)

Particulars	2019-20	2020-21	2021-22
Net Profit/(Loss) for the year	(24,43,04,034/-)	(50,68,65,105/-)	36,59,12,996/-
Adjusted Net profit (as per Section 198)	14,55,56,383/-	19,06,18,460/-	52,20,62,665/-
Average Net profit		28,60,79,170/-	

- (b) Two percent of average net profit of the Company as per sub-section (5) of section 135 - ₹57,21,583/-
- (c) Surplus arising out of CSR projects / programmes / activities of previous financial years - Nil
- (d) Amount required to be set-off for the financial year – ₹66,651/-
- (e) Total CSR obligation for the financial year (5b+5c-5d) - ₹56,54,932/-

6. (a) Amount spent on CSR Projects (both Ongoing project and other than Ongoing Project): ₹56,54,932/-
- (b) Amount spent in Administrative Overheads – Nil
- (c) Amount spent on Impact Assessment – Not Applicable
- (d) Total amount spent for the Financial Year (6a+6b+6c) – ₹56,54,932/-
- (e) 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 sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
56,54,932/-	NIL			NIL	

(f) Excess amount for set-off:

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	57,21,583/-
(ii)	Total amount spent for the Financial Year*	57,21,583/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(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)]	-

\*includes ₹66,651/- set-off from previous year (i.e. FY 2020-21).



## 7. Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		

NIL

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135 - Not Applicable.

For and on behalf of the Board

Chennai  
May 05, 2023

Harish Lakshman  
Vice-Chairman  
DIN:00012602

Ganesh Lakshminarayan  
Chairman of CSR Committee  
DIN:00012583

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

- 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 plants.
- Rain water harvesting and recharge pits to improve the ground water level.
- Increase the natural day light in shop floor with transparent roof sheets.
- Energy efficient BLDC fans for shop floor air circulation.

### Waste Elimination

- Projects identified with 3R-Reduce / Reuse / Recycle concept to minimize wastes.
- 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.
- Implementation of mist collector to eliminate coolant / oil mist.
- Coolant filtration introduced to increase the life of coolant in machines.
- Real Time Monitoring implemented with smart IoT sensors in all the Sewage treatment plants to monitor the performance.

### Impact of such conservation projects

- CO<sub>2</sub> emission reduction by enhanced usage of electricity from renewable energy sources.
- Resource conservation through elimination of waste.
- Improved air quality level enhancing the work environment for workers.

### Steps taken for utilizing alternate sources of energy

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

### Capital Investment on Energy Conservation Equipments

- The Company has invested an amount of ₹0.42 Crores towards energy conservation equipment.
- The Company has also invested ₹0.77 Crores towards air quality improvement devices in shop floor.

## B. Technology Absorption

### Efforts towards Technology Absorption

Research and Development plays a vital role in creating and adopting new technologies to enhance the Company's efficiencies. As part of this initiative, the Company has taken various steps to improve its 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 Automated Robotic Rack & Pinion Steering Gear Assembly line with advanced smart sensors and cameras to improve productivity & quality.
- Advanced technology manufacturing process established in hydraulic products to ensure better performance.
- Telematics and GPS activated Digital Freight management software implemented to track the location of vehicles real time.
- Configurable modular assembly lines created for new range products.

### 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 roadmap. Detailed action plans are arrived from this roadmap and are driven and monitored for their effective implementation. Few of such projects are:

- High Rigidity - Protrusion type Rackbush for enhanced comfort in NVH for SUV type vehicles.
- Robust Design measures in sealings for the water ingress concerns in Rack & Pinion gear.
- High performance ball joint development for enhanced passenger comfort in electric car applications.
- New Straight cup development with low friction for improved NVH application in small cars.

- Higher current rated ECU & Motor development for enhanced driver comfort in high load steering applications.
- Commercial vehicle steering linkages with enhanced ageing performance of boot.

#### Cost Reduction

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

- Rubber Mount material change from Neoprene to EPDM.
- New domestic supplier development for export ball joints for higher production targets.
- Development of in-house testing facility to reduce external testing & Instrumentation cost.
- New Boot supplier development for New SUV customer application.
- Farm Tractor steering cylinders with simplified manufacturing process & ease of assembly.
- Small commercial vehicle steering gear cost optimisation through alternate material.

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2022-23):

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

Research and Development expenditure incurred  
(₹ in Crores)

Sl. No.	Particulars	2022-23	2021-22
A	Capital expenditure	2.94	6.40
B	Recurring expenditure	7.88	9.84
C	<b>Total</b>	<b>10.82</b>	<b>16.24</b>
D	Total R & D expenses as a percentage of total turnover	0.5%	1.0%

#### C. Foreign Exchange Earnings and Outgo

(₹ in Crores)

Foreign Exchange	2022-23	2021-22
Earnings	430.84	317.08
Outgo	61.19	58.06

For and on behalf of the Board

Chennai  
May 05, 2023

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 and Meetings

As on March 31, 2023, the Board of Directors (Board) comprises of six (6) Non-Executive Directors with 50% of them 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 2022-23 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 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 the FY 2022-23, the Board of Directors met five (5) times on May 20, 2022; July 21, 2022; October 21, 2022; February 08, 2023 and March 16, 2023 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, 2023 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (June 29, 2022)	Number of Directorship in other public Companies #		Number of Committees Membership ®	
				Chairperson	Member	Chairperson	Member
Mr. Ganesh Lakshminarayanan (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	4	1	6
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	5	No	1	5	1	3
Ms. Vasudha Sundararaman (06609400)	Non-Executive & Independent	4	NA	-	1	-	1
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	5	Yes	-	3	-	2

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (June 29, 2022)	Number of Directorship in other public Companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Vikram Taranath Hosangady (09757469)	Non-Executive & Non-Independent	-	NA	-	1	-	-
Mr. Ramesh Rajan Natarajan (01628318)	Non-Executive & Independent	5	Yes	1	5	4	5

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

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

**Note:**

1. Ms. Anita Ramachandran (DIN:00118188), consequent to the completion of her second term ceased to be the Director of the Company at the conclusion of the 18<sup>th</sup> Annual General Meeting held on June 29, 2022. She attended One (1) Board Meeting held on May 20, 2022.
2. Ms. Vasudha Sundararaman (DIN:06609400) was inducted as a member to the Board w.e.f June 29, 2022.
3. Mr. Srinivasan Sandilya (DIN:00037542), retired as per the retirement policy of the Company w.e.f March 16, 2023. During the year, he attended Four (4) Board Meetings held on May 20, 2022, July 21, 2022, October 21, 2022 & March 16, 2023 and AGM held on June 29, 2022.
4. Mr. Vikram Taranath Hosangady (DIN:09757469) was inducted as a member to the Board w.e.f March 16, 2023.

The details of Directorship in other listed entities as on March 31, 2023 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. Vasudha Sundararaman	Cholamandalam Financial Holdings Limited	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
	Rane Holdings Limited	Non-Executive & Independent
Mr. Vikram Taranath Hosangady	Rane Engine Valve Limited	Non-Executive & Independent
	MRF Limited	Non-Executive & Independent
Mr. Ramesh Rajan Natarajan	TTK Healthcare Limited	Non-Executive & Independent
	Indo - National Limited	Chairman, Non-Executive & Independent
	Cholamandalam Investment And Finance Company Limited	Non-Executive & Independent
	Rane Engine Valve 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 fulfill the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.



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

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 policies section of the website of the Company at the web-link <https://ranegroup.com/investors/rane-madras-limited-2/>.

#### 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 Mr. Pradip Kumar Bishnoi
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. Vikram Taranath Hosangady Mr. Ramesh Rajan Natarajan
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. Vasudha Sundararaman Mr. Pradip Kumar Bishnoi Mr. Vikram Taranath Hosangady 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. Vasudha Sundararaman Mr. Pradip Kumar Bishnoi Mr. Vikram Taranath Hosangady 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 on May 20, 2022; July 21, 2022; October 21, 2022 and February 08, 2023 with requisite quorum 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
Mr. L Ganesh	Member, Non – Executive & Promoter	4
Mr. Ramesh Rajan Natarajan	Member, Non - Executive & Independent	4
Ms. Vasudha Sundararaman	Member, Non - Executive & Independent	-

#### Note:

- Ms. Anita Ramachandran ceased to be a member of the Committee w.e.f June 29, 2022. During the year, she attended one (1) meeting held on May 20, 2022.
- Mr. S Sandilya was inducted as a member w.e.f June 30, 2022. He ceased to be a member of the Committee w.e.f March 16, 2023. During the year, he attended two (2) meetings of the Committee held on July 21, 2022, and October 21, 2022.
- Ms. Vasudha Sundararaman was inducted as a member of the Committee w.e.f March 16, 2023.

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 Executive 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 June 29, 2022.

### Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 and other applicable provisions of 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 :

- Review of Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the Internal 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. On a quarterly basis, the Audit Committee reviews RPTs entered into by the Company pursuant to each of the omnibus approval. The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliance.

#### During the year, the Committee:

- Reviewed the performance and effectiveness of M/s. B S R & Co., LLP, Chartered Accountants, as Statutory Auditors.
- Recommended the re-appointment of M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditor and their remuneration for the period January 01, 2023 to December 31, 2023.

## 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 four (4) times during the year, viz., May 20, 2022; July 21, 2022; February 08, 2023 and March 16, 2023 with requisite quorum present throughout the meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. N Ramesh Rajan	Chairman, Non-Executive & Independent	3
Mr. Pradip Kumar Bishnoi	Member, Non-Executive & Independent	-
Mr. Harish Lakshman	Member, Non-Executive & Promoter	4

**Note:**

- Ms. Anita Ramachandran ceased to be the Chairperson of the Committee w.e.f June 29, 2022. During the year, she attended one (1) meeting held on May 20, 2022.
- Mr. N Ramesh Rajan was inducted as the Chairman of the Committee w.e.f June 30, 2022.
- Mr. S Sandilya ceased to be a member of the Committee w.e.f March 16, 2023. During the year, he attended three (3) meetings of the Committee held on May 20, 2022, July 21, 2022 and March 16, 2023.
- Mr. Pradip Kumar Bishnoi was inducted as a member of the Committee w.e.f March 16, 2023.

**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:**

- Recommended the appointment of Ms. Vasudha Sundararaman as an Independent Director.

- Considered and recommended the payment of commission to Mr. L Ganesh, Chairman for FY 2021-22.
- Reviewed the compensation benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP).
- Reviewed and recommended the process of Board evaluation, its committees and Directors.
- Considered and recommended the appointment of Mr. Vikram Taranath Hosangady as a Non-Executive and Non-Independent Director.

During the year under review, the Board amended the Nomination and Remuneration Committee Charter to include functional heads in the definition of Senior Management in accordance with SEBI (LODR) Amendment Regulations, 2023 dated January 17, 2023.

**Remuneration Policy**

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available in the policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-madras-limited-2/>. 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**

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

**Sitting Fees**

The Directors are eligible for sitting fee, 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 (₹)
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

The criteria for payment to Non-Executive Directors is available in the policies section of the website of the Company at the web link <https://ranegroup.com/investors/rane-madras-limited-2/>. In accordance with the said policy, approval of the shareholders was obtained at the 17<sup>th</sup> AGM for payment

of commission to Mr. L Ganesh, Chairman. Further, annual approval was also obtained at the 18<sup>th</sup> AGM in terms of Regulation 17(6)(ca) of SEBI LODR for payment of remuneration for FY 2022-23. In deference to views of the Chairman not to receive commission on account of losses incurred by the Company, no commission was paid to him for FY 22-23.

#### 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, 2023 are as follows:

Name of the Director	Sitting Fees (in ₹)	Shares held as on March 31, 2023
Mr. L Ganesh	3,50,000	839
Mr. Harish Lakshman	2,60,000	750
Ms. Vasudha Sundaraman	1,60,000	-
Mr. Pradip Kumar Bishnoi	3,50,000	-
Mr. Ramesh Rajan Natarajan	3,80,000	-
Mr. Vikram Taranath Hosangady	-	-
<b>Total</b>	<b>15,00,000</b>	<b>1,589</b>

#### Note:

- No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
- 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.
- Shareholding includes joint holdings & HUF, if any.
- Ms. Anita Ramachandran retired at the conclusion of the 18<sup>th</sup> Annual General Meeting held on June 29, 2022 and was paid sitting fees of ₹90,000.
- Mr. S Sandilya retired as per the retirement policy of the Company w.e.f March 16, 2023 and was paid sitting fees of ₹2,60,000.

## 5. Stakeholders Relationship Committee (SRC)

#### Composition, Attendance and Meetings

The Stakeholders 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 20, 2022 and October 21, 2022 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	2

#### 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.

During the year, 4 investor complaints were received which primarily relates to Annual Report and details on subsidiary Company. No complaints remain unresolved at the end of the financial year 2022-23. The Chairman of the SRC / Authorised Representative was present at the last AGM of the Company held on June 29, 2022.

#### The SRC during the year reviewed:

- Internal Audit Report for the FY 2021-22 dated June 30, 2022 issued to Integrated Registry Management Services Private Limited (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 (1) during the year on May 20, 2022 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
Mr. Harish Lakshman	Member, Non – Executive & Promoter	1
Ms. Vasudha Sundararaman	Member, Non – Executive & Independent	-

Note:

1. Ms. Anita Ramachandran ceased to be a member of the Committee w.e.f June 29, 2022. During the year, she attended one (1) meeting of the Committee held on May 20, 2022.
2. Mr. S Sandilya was inducted as a member of the Committee w.e.f June 30, 2022. He ceased to be a member of the Committee w.e.f March 16, 2023.
3. Ms. Vasudha Sundararaman was inducted as a member of the Committee w.e.f March 16, 2023.

#### 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 impact 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 2022-23 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 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	2
Mr. Harish Lakshman	Member, Non- Executive & Promoter	2
Mr. Pradip Kumar Bishnoi	Member, Non-Executive & Independent	2
Ms. Gowri Kailasam	Member, President - SLD – Management Group	2
Mr. D Sundar	Member, President - LMCI – Management Group	2

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

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

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

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

- To formulate a detailed risk management policy which shall include:
  - a. 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.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;



- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Committee met two (2) times during the year on September 21, 2022 and March 16, 2023 wherein the committee reviewed the revised Risk Review Plan and reviewed various risks including Environmental, Social & governance (ESG) related risks.

## 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 before the Stakeholders Relationship Committee of the Board. No sitting fees is payable to the committee members.

### Finance Committee

A Finance Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman as its members are 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 two (2) times on September 29, 2022 and December 21, 2022 to approve matters relating to availment of term loan & working capital facilities.

### 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, one (1) meeting was held on January 19, 2023 for opening Suspense Escrow Demat Account as

per SEBI Circular dated December 30, 2022. No sitting fee is payable to the committee members.

### 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, viz., Mr. L Ganesh and Mr. Harish Lakshman as its members. During the year, no meeting was held. 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 Mr. L Ganesh and 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 have 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 in the policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-madras-limited-2/>. The Board members and SMP have affirmed their compliance with the code of conduct. A declaration from the Manager of the Company to this effect forms part of this report in 'Annexure (i)'.

### 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 in the policies section of the website of the Company at the web link: <https://ranegroup.com/investors/rane-madras-limited-2/>. Further, the Company also maintains a Structured Digital Database as required under Regulation 3(5) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with adequate internal controls, checks, time stamping and audit trails.

## 10. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue / Mode
June 29, 2022 (18 <sup>th</sup> AGM)	<ol style="list-style-type: none"> <li>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.</li> <li>Appointment of Ms. Vasudha Sundararaman (DIN:06609400) as an Independent Director</li> </ol>	10:00 hrs (IST)	
July 20, 2021 (17 <sup>th</sup> AGM)	<ol style="list-style-type: none"> <li>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.</li> <li>Approval for payment of commission to Mr. Ganesh Lakshminarayan (DIN:00012583), Chairman and Non-Executive Director for a period of three years.</li> <li>Re-appointment of Mr. Pradip Kumar Bishnoi (DIN:00732640) as an Independent Director for a second term.</li> </ol>	15:00 hrs (IST)	Video Conferencing / Other Audio Visual Means (VC / OAVM)
August 07, 2020 (16 <sup>th</sup> AGM)	<ol style="list-style-type: none"> <li>Approval of appointment and remuneration of Ms. Gowri Kailasam, as Manager.</li> <li>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.</li> </ol>	15:00 hrs (IST)	

During the year, one (1) ordinary resolution was proposed vide postal ballot notice dated March 16, 2023 for appointment of Mr. Vikram Taranath Hosangady as Non-Executive and Non-Independent Director. The resolution was passed with requisite majority on April 20, 2023.

## 11. Other disclosures

- During the year, the Company had not entered into any transaction of material nature with any of its 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 in policies section of the website of the Company at the web link: <https://ranegroup.com/investors/rane-madras-limited-2/>.
- There was no instance of non-compliance by the Company on any matters relating to the capital

markets; nor was there any penalty / strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

- 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.
- 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.
- The Company has complied with the following non-mandatory requirements prescribed under Part – E of Schedule II, Chapter IV of the SEBI LODR:
  - 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.
  - adopts best practices to ensure a regime of financial results / statement with unmodified audit opinion.
  - 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 a material subsidiary as defined in Regulation 24 of the SEBI LODR. The Company has framed a policy for determining "material subsidiary" and the same is available in the policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-madras-limited-2/>.
- 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 are commensurate to the operations of the Company, role 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 2022-23		FY 2021-22	
BSR & Co. LLP, Chartered Accountants	0.39	-	0.34	-
Network entities and firms of BSR & Co. (if any)	-	-	-	-
<b>Total</b>	<b>0.39</b>	<b>-</b>	<b>0.34</b>	<b>-</b>

- xvi. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement and hence, the disclosure on utilization of funds is not applicable. There are no convertible instruments issued or outstanding.
- xvii. The Dividend Distribution Policy is available in the policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-madras-limited-2/>.
- xviii. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.
- xix. 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. The policy 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 on the policies section of the website of the Company at the weblink: <https://ranegroup.com/investors/rane-madras-limited-2/>.

## 14. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Hindu Tamizh Thisai" (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](http://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 did not print physical copies of the 18<sup>th</sup> annual report for the FY 2021-22 for distribution in view of exemption available vide circular(s) circular no. 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 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 18<sup>th</sup> AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

In compliance with SEBI Circular SEBI/HO/OIAE/2023/03394 dated January 27, 2023, the Company has created awareness regarding availability of Dispute Resolution Mechanism at Stock Exchanges by sending out on February 10, 2023 SMS and email communication to all physical shareholders who had registered their mobile number / email ID.

## 15. General Shareholder Information

### i. Annual General Meeting

July 26, 2023 (Wednesday) at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")

### ii. Financial Year: April 01, 2023 – March 31, 2024

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements* for the year ended March 31, 2023	May 05, 2023
Unaudited financial results* for the 1 <sup>st</sup> quarter ending June 30, 2023	By fourth week of July 2023
Unaudited financial results* for the 2 <sup>nd</sup> quarter ending September 30, 2023	By fifth week of October 2023
Unaudited financial results* for the 3 <sup>rd</sup> quarter ending December 31, 2023	By first week of February 2024

(\*both standalone and consolidated)

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

### iii. Dividend

No dividend has been declared for the financial year 2022-23.

### iv. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE), Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	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 2023-24 to NSE & BSE, where the shares of the Company continue to be listed. The shares of the Company were not suspended from trading during the FY 2022-23.

### v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Dividend for the financial year ended March 31, 2015 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 the unclaimed Final Dividend of ₹1,51,565.00/- for the financial year ended March 31, 2015 to IEPF on September 14, 2022. Members who have not encashed

the Dividend warrants are requested to submit 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 <sup>#</sup>	Amount outstanding in Unclaimed Dividend Account (as on 31-03-2023) <sup>^</sup>	Last Date for claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2016*	10.03.2016	4.50	1,61,955.50	16.04.2023	16.05.2023
31.03.2017*	23.01.2017	2.00	95,834.00	29.02.2024	30.03.2024
31.03.2017	24.08.2017	4.00	1,84,640.00	29.09.2024	29.10.2024
31.03.2018*	23.01.2018	4.50	1,16,330.00	28.02.2025	29.03.2025
31.03.2018	25.07.2018	7.50	1,66,462.50	31.08.2025	30.09.2025
31.03.2019*	22.01.2019	4.00	93,888.00	27.02.2026	26.03.2026
31.03.2019	24.07.2019	4.50	1,06,857.50	29.08.2026	28.09.2026

<sup>#</sup> share of paid-up value of ₹10 per share

\* Interim Dividend

<sup>^</sup> as per bank balance confirmation

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, 2022 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details are also available at the investor information section of the website of the Company at [www.ranegroup.com](http://www.ranegroup.com).

#### vi. Transfer of shares to IEPF Authority

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

During the year under review, 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
2014 – 15 (Final)	413

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are also available at the investor information section of the website of the Company at [www.ranegroup.com](http://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](http://www.iepf.gov.in). The shares relating to unclaimed Dividend for FY 2015-16 (Interim) and FY 2016-17 (Interim) are liable to be transferred to IEPF Authority during the current FY 2023-24. In this regard, the Company shall intimate / publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at [www.ranegroup.com](http://www.ranegroup.com). The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein.

#### 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	-	-
Shares Transferred during the year	-	-
Balance at the end of the year	5	776

In compliance with SEBI Circular No. SEBI/HO/MIRSD/PoD-1/OW/P/2022/64923 dated December 30, 2022, the Company has opened "Rane (Madras) Limited – Suspense Escrow Demat Account" with M/s. Integrated Enterprises (India) Private Limited, the Depository Participant to credit securities for which demat is pending beyond 120 days from the date of issuance of letter of confirmation.



### 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, 2022 – March 31, 2023 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 2022	382.40	352.00	60,845.10	56,009.07	382.80	353.00	18,114.65	16,824.70
May 2022	355.20	286.30	57,184.21	52,632.48	357.55	285.80	17,132.85	15,735.75
June 2022	348.00	260.00	56,432.65	50,921.22	348.70	258.55	16,793.85	15,183.40
July 2022	382.00	307.65	57,619.27	52,094.25	382.75	306.20	17,172.80	15,511.05
August 2022	417.90	365.05	60,411.20	57,367.47	417.00	367.60	17,992.20	17,154.80
September 2022	422.50	349.95	60,676.12	56,147.23	423.15	349.35	18,096.15	16,747.70
October 2022	399.20	354.60	60,786.70	56,683.40	391.40	357.45	18,022.80	16,855.55
November 2022	392.40	359.00	63,303.01	60,425.47	393.00	362.10	18,816.05	17,959.20
December 2022	441.80	340.10	63,583.07	59,754.10	441.80	343.15	18,887.60	17,774.25
January 2023	466.60	387.00	61,343.96	58,699.20	466.40	386.60	18,251.95	17,405.55
February 2023	505.00	393.00	61,682.25	58,795.97	506.95	395.50	18,134.75	17,255.20
March 2023	480.05	386.70	60,498.48	57,084.91	481.90	385.50	17,799.95	16,828.35

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

### ix. Registrar and Transfer Agent

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

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

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

### x. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA.

The Share transfers and transmissions are approved and registered within prescribed timelines. On a yearly basis, the compliance with the share transfer / transmission formalities is audited by a 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, 2023

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	15,331	93.14	9,68,783	5.96
501 – 1000	466	2.83	3,72,072	2.29
1001 – 2000	294	1.79	4,45,103	2.74
2001 – 3000	132	0.80	3,35,362	2.06
3001 – 4000	59	0.36	2,11,832	1.30
4001 – 5000	42	0.26	1,95,817	1.20
5001 – 10000	80	0.49	5,71,869	3.52
10001 & above	57	0.35	1,31,64,429	80.94
<b>Total</b>	<b>16,461</b>	<b>100.00</b>	<b>1,62,65,267</b>	<b>100.00</b>

### 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, 2023, about 99.57% 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, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Physical	70,350	77,521	0.43	0.48
Demat	1,61,94,917	1,61,87,746	99.57	99.52
<b>Total</b>	<b>1,62,65,267</b>	<b>1,62,65,267</b>	<b>100.00</b>	<b>100.00</b>

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 benefits of dematerialisation, which include easy liquidity / trading.

Rating Agency	Security - Type	(₹ in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of credit rating obtained
Crisil Limited	Long term	163.20	A-	Stable	Revised	May 27, 2022
	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](mailto:investorservices@ranegroup.com)

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

For and on behalf of the Board

Chennai  
May 05, 2023

Harish Lakshman  
Vice-Chairman  
DIN:00012602

Ganesh Lakshminarayan  
Chairman  
DIN:00012583

Annexure (i)

**CERTIFICATE FROM MANAGING DIRECTOR / MANAGER**

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, 2023.

Chennai  
May 05, 2023

Gowri Kailasam  
Manager

Annexure (ii)

**CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to 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, 2023**, 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.	Pradip Kumar Bishnoi	Non-Executive, Independent	00732640
4.	Ramesh Rajan Natarajan	Non-Executive, Independent	01628318
5.	Vasudha Sundararaman	Non-Executive, Independent	06609400
6.	Vikram Taranath Hosangady	Non-Executive, Non-Independent	09757469

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. Information relating to the directors available in the official website of the Ministry of Corporate Affairs;
2. Disclosures / declarations / confirmations provided by the said directors to the Company;
3. Registers, records, forms and returns filed / maintained by the Company; and
4. Information, explanation and representations provided by the Company, its officers and agents.

**Management's responsibility:**

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:**

Our responsibility is to express an opinion on this, based on our verification.

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

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

Company Secretaries,

[Firm Unique Identification No. P1994TN045300]

[Peer Review Certificate No. 739/2020]

**K Sriram**

Partner

Membership No.: F6312

Certificate of Practice No.: 2215

UDIN: F006312E000260324

Chennai  
May 05, 2023

## 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 of  
**RANE (MADRAS) LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated April 28, 2023.
2. We have examined the compliance of conditions of Corporate Governance by **Rane (Madras) Limited** ("the Company"), for the year ended March 31, 2023, 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, 2023.
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

Chennai  
May 05, 2023

Membership No: 203491  
UDIN: 23203491BGYXWV3785

## Annexure F 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 PROVISIO THERETO.

# FORM NO. AOC - 2

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

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2023, 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 provisions of the Companies Act, 2013 including rules, as detailed below: <ul style="list-style-type: none"> <li>Audit Committee and Board of Directors at their respective meetings held on May 23, 2019.</li> <li>Members of the Company at the 15<sup>th</sup> Annual General Meeting held on July 24, 2019.</li> </ul>
6.	Amount paid as advances, if any	NIL

For and on behalf of the Board

Chennai  
May 05, 2023

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 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Investments in subsidiary

See Note 1.29, 6 and 33.2 to standalone financial statements

#### The key audit matter

The Company has an investment in non-convertible redeemable preference shares in its subsidiary amounting to INR 365.34 Crores as at March 31, 2023 (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 328.77 Crores on this investment as at March 31, 2023 with an incremental fair value loss of INR 223.28 Crores recorded 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 and discount rate.

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.

### 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key Audit Matter(s)

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.

#### How the matter was addressed in our audit

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 and terminal growth rate. 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 the information included in the Company's Board's report, Management Discussion and Analysis and Corporate Governance Report, but does not include the financial statements and auditor's report(s) thereon.

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 in this regard.

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Auditors) 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 31 March 2023 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 other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like 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 person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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.:101248W/W-100022

**S Sethuraman**

Partner

Place: Chennai

Date: May 05 2023

Membership No.: 203491

ICAI UDIN:23203491BGYXWX9588

## Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Rane (Madras) Limited for the year ended March 31, 2023.

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) 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 immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements 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.
- (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 disclosed 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 granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has provided guarantee or security and made investment in Companies, in respect of which the requisite information is given below. The Company has not provided guarantee or security and did not make investment in firms, limited liability partnership or any other parties.

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

Particulars	Guarantees (In INR Crores)
Aggregate amount given during the year	14.47
Subsidiary*	
Balance outstanding as at balance sheet date	146.98
Subsidiary*	

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (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 Act for the products manufactured by it. Accordingly, clause 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 GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees State Insurance, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Goods and Services Tax and Income-Tax.
- 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 Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 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 Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute except as disclosed 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 the Act.
- (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 the Act).
- (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 any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.



- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) 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, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

**S Sethuraman**  
Partner  
Membership No.: 203491  
ICAI UDIN:23203491BGYXWX9588

Place: Chennai  
Date: May 05 2023

## 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 22	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade receivables	342.97	337.40	5.57	No
Jun 22	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade payables	321.40	213.82	107.58	No
Sep 22	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade receivables	364.96	359.03	5.93	No
Sep 22	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade payables	337.62	199.86	137.76	No
Dec 22	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade receivables	344.69	339.35	5.34	No
Dec 22	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade payables	350.95	215.12	135.83	No
Mar 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade receivables	380.89	376.46	4.43	No
Mar 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade payables	324.74	214.90	109.84	No

Note: Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission. Also refer note 38(xiii) to the financial statements.

The above information is based on the revised returns / statements filed by the Company.

## Appendix II to the Independent Auditors' Report

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

Name of the Statute	Nature of the dues	Amount (in INR Crores)	Amount unpaid (in INR Crores)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1945	Excise Duty	0.75	-	2012-13	Customs, Goods & Service tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.72	-	2007-08 to 2011-12	Customs, Goods & Service tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.07	0.04	2011-12	Assistant Commissioner, Nizamabad
Maharashtra VAT Act, 2002	Sales tax /VAT	1.10	1.08	2005-06, 2006-07 and 2008-09	Maharashtra Sales Tax Appellate Tribunal
Tamil Nadu Value Added Tax Act, 2006	Sales tax /VAT	0.34	0.34	2014-15	Assistant Commissioner, Alandur, Tamil Nadu
Tamil Nadu Value Added Tax Act, 2006 (CST)	Sales tax /VAT	1.76	1.76	2016-17 and 2017-18	Deputy Commissioner (Appeals), Tamil Nadu
Karnataka Value Added Tax Act, 2003	Sales tax /VAT	0.25	-	2013-14 to 2016-17	Commissioner of Sales Tax (Appeals), Mysore
Puducherry Value Added Tax Act, 2007	Sales tax /VAT	0.07	0.03	2010-11	Commissioner of Sales Tax (Appeals), Pondicherry
Uttarakhand Value Added Tax Act, 2005	Sales tax /VAT	0.61	0.60	2011-12	Joint commissioner of Sales Tax (Appeals), Uttaranchal
Haryana Value Added Tax Act, 2003	Sales tax/VAT	0.01	0.01	2014-15	Commissioner of Sales Tax (Appeals)- Gurgaon
Telangana Value Added Tax Act, 2005	Sales tax/VAT	1.40	1.40	2012-13	Telangana High Court
Telangana Entry of Goods into Local Areas Act, 2001	Sales tax/VAT	1.07	0.80	2011-12 to 2017-18	AP & Telangana High Court
Telangana Value Added Tax Act, 2005	Sales tax/VAT	0.07	0.07	2012-13 to 2015-16	Commissioner (Appeals)
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	0.98	-	2017-18	Appeal to Commissioner (Appeals)
Income Tax Act, 1961	Income tax	7.52	5.52	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	1.91	0.67	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	2.39	1.82	2012-13	Commissioner of Income Tax (Appeals)

Name of the Statute	Nature of the dues	Amount (in INR Crores)	Amount unpaid (in INR Crores)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	0.13	0.09	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	3.14	3.14	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	2.78	2.78	2018-19	Commissioner of Income Tax (Appeals)

\*Net of amount paid under protest

# Annexure B to the Independent Auditor's Report

on the Standalone Financial Statements of Rane (Madras) Limited for the year ended March 31, 2023.

**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 Act**

(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 31 March 2023 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 31 March 2023, 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 and Board of Directors' Responsibilities 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 Act.

## Auditor's 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 standalone 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 standalone 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

**S Sethuraman**  
Partner

Place: Chennai  
Date: 05 May 2023

Membership No.: 203491  
ICAI UDIN:23203491BGYXWX9588



# STANDALONE BALANCE SHEET

## AS AT MARCH 31, 2023

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

S.No	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
(a)	Property, plant and equipment	2	380.10	353.22
(b)	Capital work-in-progress	2	16.06	16.24
(c)	Right of use assets	3	5.25	5.85
(d)	Goodwill	4	4.63	4.63
(e)	Other intangible assets	5	2.72	4.18
(f)	Financial assets			
(i)	Investments	6	40.05	173.66
(ii)	Other financial assets	8	5.98	37.69
(g)	Deferred tax asset (net)	21	4.82	-
(h)	Income tax assets (net)	9	17.04	16.46
(i)	Other non-current assets	10	17.62	15.50
	<b>Total non-current assets</b>		<b>494.27</b>	<b>627.43</b>
	<b>Current assets</b>			
(a)	Inventories	11	232.01	190.81
(b)	Financial assets			
(i)	Trade receivables	12	380.89	313.17
(ii)	Cash and cash equivalents	13	13.89	8.00
(iii)	Bank balances other than (ii) above	14	0.09	0.13
(iv)	Loans	7	0.31	0.54
(v)	Other financial assets	8	14.66	8.09
(c)	Other current assets	10	41.87	45.72
	<b>Total current assets</b>		<b>683.72</b>	<b>566.46</b>
	<b>TOTAL ASSETS</b>		<b>1,177.99</b>	<b>1,193.89</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
(a)	Equity share capital	15	16.27	16.27
(b)	Other equity	16	230.84	358.66
	<b>Total Equity</b>		<b>247.11</b>	<b>374.93</b>
	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	17A	169.87	151.95
(ii)	Lease liabilities	39	5.24	5.67
(b)	Provisions	18	7.51	7.01
(c)	Deferred tax liability (net)	21	-	1.93
(d)	Other non-current liabilities	19	11.07	13.19
	<b>Total non-current liabilities</b>		<b>193.69</b>	<b>179.75</b>
	<b>Current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	17B	354.66	294.56
(ii)	Lease liabilities	39	0.77	0.63
(iii)	Trade payables	22		
(a)	Total outstanding dues of micro enterprises and small enterprises		2.52	2.18
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		322.22	289.51
(iv)	Other financial liabilities	20	39.37	37.90
(b)	Other current liabilities	19	9.59	9.36
(c)	Provisions	18	8.06	5.07
	<b>Total current liabilities</b>		<b>737.19</b>	<b>639.21</b>
	<b>Total liabilities</b>		<b>930.88</b>	<b>818.96</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,177.99</b>	<b>1,193.89</b>
	Significant accounting policies	1		

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached

For and on behalf of the Board of Directors

For B S R &amp; Co. LLP

Chartered Accountants

Firm's registration no. 101248W/W-100022

S Sethuraman

Partner

Membership no: 203491

Chennai

May 05, 2023

Gowri Kailasam

Manager

Chennai

May 05, 2023

Ganesh Lakshminarayan

Chairman

DIN:00012583

B Gnanasambandam

Chief Financial Officer

Harish Lakshman

Vice Chairman

DIN:00012602

S Subha Shree

Company Secretary

# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2023

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

S.No	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenues from operations	23	2,123.55	1,555.00
II	Other income	24	11.95	6.79
III	<b>Total income (I+II)</b>		<b>2,135.50</b>	<b>1,561.79</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	25	1,389.10	1,049.56
	Changes in inventories of finished goods and work-in-progress	26	(11.36)	(43.17)
	Employee benefits expense	27	192.56	166.92
	Finance costs	28	27.64	21.05
	Depreciation and amortisation expense	29	73.00	61.11
	Other expenses	30	336.78	254.85
	<b>Total expenses (IV)</b>		<b>2,007.72</b>	<b>1,510.32</b>
V	<b>Profit before exceptional items and tax (III-IV)</b>		<b>127.78</b>	<b>51.47</b>
VI	<b>Exceptional items</b>	6 & 42	225.89	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>(98.11)</b>	<b>51.47</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax	31	34.75	14.71
	(2) Deferred tax	31	(6.32)	0.15
			<b>28.43</b>	<b>14.86</b>
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>(126.54)</b>	<b>36.61</b>
	<b>Other comprehensive income</b>			
	A. Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit liability/(asset)		(1.72)	0.05
	Income tax relating to items that will not be reclassified to statement of profit and loss		0.44	(0.01)
			<b>(1.28)</b>	<b>0.04</b>
X	<b>Total other comprehensive income/(loss)</b>		<b>(1.28)</b>	<b>0.04</b>
XI	<b>Total comprehensive income/(loss) for the year (IX+X)</b>		<b>(127.82)</b>	<b>36.65</b>
XII	<b>Earnings per equity share (Nominal value per share Rs.10)</b>			
	(a) Basic (In Rs.)	37	(77.80)	23.94
	(b) Diluted (In Rs.)	37	(77.80)	23.94
	Significant accounting policies	1		

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached

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

Chartered Accountants

Firm's registration no. 101248W/W-100022

**S Sethuraman**

Partner

Membership no: 203491

Chennai

May 05, 2023

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 05, 2023

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year	(126.54)	36.61
Adjustments for :		
Finance costs	27.64	21.05
Interest income	(0.37)	(0.45)
Net gain on disposal of property, plant and equipment	(0.15)	(0.17)
Government grant income	(1.30)	(2.19)
Guarantee commission	(0.59)	(0.07)
Unrealised exchange loss/(gain)	(8.16)	3.62
Impairment loss / (write-back) on financial assets	1.84	1.19
Fair value change on investments recognised at FVTPL	223.28	-
Depreciation and amortisation of non-current assets	73.00	61.11
Income tax expense	28.43	14.86
	<b>217.08</b>	<b>135.56</b>
<b>Movements in working capital :</b>		
(Increase) / decrease in trade receivables	(69.62)	(69.87)
(Increase) / decrease in inventories	(41.20)	(55.39)
(Increase) / decrease in other current/non current financial assets	23.17	12.87
(Increase) / decrease in other current / non current assets	1.09	(15.79)
(Increase) / decrease in loans receivable	0.23	(0.32)
Increase / (decrease) in trade payables	33.02	26.66
Increase / (decrease) in long term provisions	0.50	1.12
Increase / (decrease) in short term provisions	1.27	(5.56)
Increase / (decrease) in other current / non current financial liabilities	1.12	11.13
Increase / (decrease) in other non current liabilities	(2.33)	1.45
Increase / (decrease) in other current liabilities	0.62	2.13
<b>Cash generated from operations</b>	<b>164.95</b>	<b>43.99</b>
Income tax paid	(35.33)	(14.55)
<b>Net cash (used in) / generated by operating activities</b>	<b>129.62</b>	<b>29.44</b>
<b>B. Cash flow from investing activities</b>		
Interest received	1.35	0.41
Investments in unquoted equity shares	-	(0.86)
Investments in NCRPS of subsidiaries	(76.04)	(71.28)
Purchase consideration for acquisition of business (Refer Note: 45)	-	(23.19)
Payments for property, plant and equipment	(98.89)	(81.81)
Proceeds from disposal of property, plant and equipment	0.90	0.29
Bank Balances not considered as cash and cash equivalents	0.04	0.02
<b>Net cash (used in) / generated by investing activities</b>	<b>(172.64)</b>	<b>(176.42)</b>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	1.70
Proceeds from share premium on equity shares	-	28.30
Proceeds from long term borrowings	90.00	124.98
Repayment of long term borrowings	(58.83)	(47.42)
Proceeds from short term borrowings	1,012.54	1,058.54
Repayment of short term borrowings	(965.61)	(995.07)
Interest paid	(26.47)	(21.13)
Payment of lease liabilities	(1.26)	(1.10)
<b>Net cash (used in)/ generated by financing activities</b>	<b>50.37</b>	<b>148.80</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>7.35</b>	<b>1.82</b>
Cash and cash equivalents at the beginning of the year (Refer note 13)	6.54	4.72
<b>Cash and Cash equivalents at the end of the year (Refer note 13)</b>	<b>13.89</b>	<b>6.54</b>
Significant accounting policies	1	

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached  
**For B S R & Co. LLP**  
Chartered Accountants  
Firm's registration no. 101248W/W-100022

**S Sethuraman**  
Partner  
Membership no: 203491

Chennai  
May 05, 2023

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 05, 2023

# STANDALONE STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2023

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

### A. Equity share capital

Description	Amount
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
As at April 1, 2022	16.27
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	16.27
Changes in equity share capital during the year	-
As at March 31, 2023	16.27

### B. Other equity

Description	Reserves 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, 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
Balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(27.58)	358.66	-	-	-	358.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(27.58)	358.66	-	-	-	358.66
Profit/(Loss) for the year	-	-	-	-	(126.54)	(126.54)	-	-	-	(126.54)
Other comprehensive income/(loss) for the year	-	-	-	-	(1.72)	(1.72)	-	-	-	(1.72)
Income tax on OCI Items	-	-	-	-	0.44	0.44	-	-	-	0.44
Balance as at March 31, 2023	185.89	187.82	12.73	(0.20)	(155.40)	230.84	-	-	-	230.84
Significant accounting policies	1									

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

Firm's registration no. 101248W/W-100022

S Sethuraman

Partner

Membership no: 203491

Chennai

May 05, 2023

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 05, 2023



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 under the provisions of the Companies Act, 1956, in India with its registered office in Chennai, Tamil Nadu, 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 Tamil Nadu, Puducherry, Karnataka, Uttarakhand and Telangana.

#### Significant Accounting Policies

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

#### 1.1. Statement of Compliance

The Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 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	Fair Value of plan assets less the present value of the defined benefit obligation / plan assets

The Company classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;

- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is twelve months.

#### Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded to the nearest Crores, unless otherwise indicated.

#### Use of judgements and estimates

In preparing these standalone financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### Key accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- Measurement of defined benefit obligations, key actuarial assumptions – Note 36
- Measurement and likelihood of occurrence of provisions and contingencies – Notes 18 and 40
- Recognition of deferred tax assets/liabilities – Note 21
- Fair value of financial instruments through profit and loss account – Note 6
- Impairment of Intangible assets and goodwill – Note 4
- Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes 3 and 39

The principal accounting policies are set out below :

### 1.12. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

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

### Transition to Ind AS

The cost property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

### 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 and the cost of the item can be measured reliably.

### Depreciation

Depreciation is calculated on the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method 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	1 - 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.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

### 1.14. Impairment of non-financial assets

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 that are expected to benefit from the synergies of the combination.

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 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.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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.

#### As a lessee

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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

From 1 April 2021, where the basis for determining future lease payments changed as required by interest rate benchmark reform, the Company remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

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.

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

#### Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

### 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



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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

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

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

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The refund liability is included in other current liabilities (see Note 19) and the right to recover returned goods is included in inventory (see Note 11).

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.

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



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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

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### (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. A defined

benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company'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 obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, 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'). To calculate the present value of economic benefits, consideration is given to any applicable 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 immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### (iv) Other Long term employee benefits

##### Compensated Absence

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a

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qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

### 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 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. Expected future operating losses are not provided for.

Where the Company expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

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

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences 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 transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences

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and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

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

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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 – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

In assessing whether the contractual cash flows are solely payments of principal and interest, the

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

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

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### 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.

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## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit 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.

#### Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

### 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.

#### Impairment of financial instruments

The Company recognise loss allowance for expected credit loss on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument.



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The Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

### 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). Expected credit losses are discounted at the effective interest rate of the financial asset.

### 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 when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually

makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written 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.

### 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.

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Further information about the assumptions made in measuring fair values is included in note 33 on financial instruments.

### 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 (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

### 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. 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

#### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

#### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of:</b>		
Freehold land	26.07	26.07
Buildings	84.03	76.01
Plant and equipment	266.31	247.68
Furniture and Fixtures	0.74	1.05
Office Equipments	2.77	2.15
Vehicles	0.18	0.26
<b>Sub Total</b>	<b>380.10</b>	<b>353.22</b>
Capital Work-in-progress	16.06	16.24
<b>Total</b>	<b>396.16</b>	<b>369.46</b>

#### Cost

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 1, 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
Additions	-	12.32	82.39	0.05	2.14	-	96.90
Disposals	-	-	(0.74)	-	-	(0.13)	(0.87)
Balance as at March 31, 2023	26.07	108.89	599.18	4.63	15.62	0.78	755.17
<b>Accumulated depreciation</b>							
Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 1, 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
Disposals	-	-	-	-	-	(0.12)	(0.12)
Depreciation expense	-	4.30	63.02	0.36	1.52	0.07	69.27
Balance as at March 31, 2023	-	24.86	332.87	3.89	12.85	0.60	375.07
Carrying amount as at March 31, 2022	26.07	76.01	247.68	1.05	2.15	0.26	353.22
Carrying amount as at March 31, 2023	26.07	84.03	266.31	0.74	2.77	0.18	380.10

#### Notes:

- 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

Movement in capital work-in-progress is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	16.24	15.27
Additions / (Capitalisations)	(0.18)	0.97
As at the end of the year	16.06	16.24

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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	
<b>As at March 31, 2023</b>					
Projects in progress	15.52	0.54	-	-	16.06
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>15.52</b>	<b>0.54</b>	<b>-</b>	<b>-</b>	<b>16.06</b>
<b>As at March 31, 2022</b>					
Projects in progress	15.56	0.04	0.64	-	16.24
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>15.56</b>	<b>0.04</b>	<b>0.64</b>	<b>-</b>	<b>16.24</b>

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 :

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Projects in progress					
Capacity enhancement project	6.83	-	-	-	6.83
Others	2.01	-	-	-	2.01
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>8.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.84</b>
<b>As at March 31, 2022</b>					
Projects in progress					
Capacity enhancement project	5.55	-	-	-	5.55
Others	0.55	-	-	-	0.55
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.10</b>

**3 Right of use assets**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of:</b>		
Right of use assets	5.25	5.85
	<b>5.25</b>	<b>5.85</b>

Particulars	Land	Buildings	Vehicles	Others	Total
<b>Cost</b>					
Balance as at April 1, 2021	5.36	1.84	0.88	0.18	8.26
Additions	-	0.14	-	-	0.14
Derecognition	-	(0.69)	-	-	(0.69)
<b>Balance as at March 31, 2022</b>	<b>5.36</b>	<b>1.29</b>	<b>0.88</b>	<b>0.18</b>	<b>7.71</b>
Additions	-	0.38	-	-	0.38
Derecognition	-	(1.27)	-	-	(1.27)
<b>Balance as at March 31, 2023</b>	<b>5.36</b>	<b>0.40</b>	<b>0.88</b>	<b>0.18</b>	<b>6.82</b>
<b>Accumulated depreciation</b>					
Balance as at April 1, 2021	0.29	0.83	0.46	0.06	1.64
Depreciation expense	0.20	0.53	0.16	0.02	0.91
Derecognition	-	(0.69)	-	-	(0.69)
<b>Balance as at March 31, 2022</b>	<b>0.49</b>	<b>0.67</b>	<b>0.62</b>	<b>0.08</b>	<b>1.86</b>
Depreciation expense	0.20	0.55	0.13	0.02	0.90
Derecognition	-	(1.19)	-	-	(1.19)
<b>Balance as at March 31, 2023</b>	<b>0.69</b>	<b>0.03</b>	<b>0.75</b>	<b>0.10</b>	<b>1.57</b>
<b>Carrying amount as at March 31, 2022</b>	<b>4.87</b>	<b>0.62</b>	<b>0.26</b>	<b>0.10</b>	<b>5.85</b>
<b>Carrying amount as at March 31, 2023</b>	<b>4.67</b>	<b>0.37</b>	<b>0.13</b>	<b>0.08</b>	<b>5.25</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 4 Goodwill

Particulars	As at March 31, 2023	As at March 31, 2022
Cost	4.63	4.63
Accumulated impairment losses	-	-
Total	4.63	4.63

  

Particulars	Goodwill
Cost	
Balance as at April 1, 2021	4.06
Acquisition through business combination (Refer Note 45)	0.57
Additions	-
Impairment loss	-
Balance as at March 31, 2022	4.63
Additions	-
Impairment loss	-
Balance as at March 31, 2023	4.63

#### Impairment tests for goodwill

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

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, 2023	As at March 31, 2022
Post tax discount rate	16.83%	9.77%
Terminal value growth rate	7.00%	3.00%
Budgeted average EBITDA growth rate	34.18%	54.16%

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.

The discount rate was a post-tax measure estimated based on the weighted-average cost of capital, with a possible debt leveraging of 50% at a risk free rate of 7%.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately INR 112.04 Crores (31 March 2022: INR 263.36 Crores). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

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

Impairment testing for CGUs containing goodwill	Change required for carrying amount to equal recoverable amount	
Particulars	As at March 31, 2023	As at March 31, 2022
Post tax discount rate	18.12%	12.67%
Budgeted average EBITDA growth rate	31.60%	44.93%



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 5 Other intangible assets

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of:</b>		
Software Licence	1.75	0.89
Customer Contract	0.97	3.29
	<b>2.72</b>	<b>4.18</b>

  

Particulars	Software Licence	Customer Contract	Total
<b>Cost</b>			
Balance as at April 1, 2021	3.81	-	3.81
Acquisition through business combination (Refer Note 45)	0.02	3.67	3.69
Additions	0.92	-	0.92
Disposals	-	-	-
Balance as at March 31, 2022	4.75	3.67	8.42
Additions	1.37	-	1.37
Disposals	-	-	-
Balance as at March 31, 2023	6.12	3.67	9.79
<b>Accumulated amortisation</b>			
Balance as at April 1, 2021	3.53	-	3.53
Amortisation	0.33	0.38	0.71
Disposals	-	-	-
Balance as at March 31, 2022	3.86	0.38	4.24
Amortisation	0.51	2.32	2.83
Disposals	-	-	-
Balance as at March 31, 2023	4.37	2.70	7.07
Carrying amount as at March 31, 2022	0.89	3.29	4.18
Carrying amount as at March 31, 2023	1.75	0.97	2.72

### 6 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Investments in equity instruments (fully paid-up) (Unquoted) At cost</b>		
<b>Investment In Subsidiaries</b>		
Rane (Madras) International Holdings, B.V	0.15	0.15
(20,000 (March 31, 2022: 20,000) number of equity shares @ Euro 1 each)		
<b>Sub total</b>	<b>0.15</b>	<b>0.15</b>
<b>Investments at FVTPL</b>		
<b>Investment In Subsidiaries</b>		
(4,07,97,000 (March 31, 2022: 3,19,17,000) number of NCRPS @ Euro 1 each) in Rane (Madras) International Holdings, B.V	365.34	269.72
Less: Fair value change on investments recognised at FVTPL (Refer Note below)	(328.77)	(99.54)
<b>Sub total</b>	<b>36.57</b>	<b>170.18</b>
Fair value of financial guarantee given to subsidiaries	1.87	1.87
<b>Other Equity investments (Amortised cost)</b>		
Capsol Energy Private Limited	0.60	0.60
(6,00,000 (March 31, 2022: 6,00,000) number of equity shares @ Rs. 10 each)		
Shree MTK Textiles Private limited		
(2,700 (March 31, 2022: 2,700) number of equity shares @ Rs. 100 each)	0.86	0.86
<b>Total Non-Current Investments</b>	<b>40.05</b>	<b>173.66</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
Aggregate carrying value of unquoted investments	368.82	273.20
Aggregate amount of impairment / Fair value change on investments recognised at FVTPL	328.77	99.54

The Management has assessed the fair value change as at March 31, 2023 and has recorded a reduction in fair value amounting to INR 223.28 Crores for the current year being shown as an exceptional item. 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 and related volumes. Refer Note 33.2 for the details of key assumptions and sensitivities surrounding those assumptions.

#### 7 Loans

Particulars	As at March 31, 2023	As at March 31, 2022
Loans receivable considered good - Unsecured		
- Loans to employees	0.31	0.54
<b>Total</b>	<b>0.31</b>	<b>0.54</b>

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

#### 8 Other financial assets

(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security Deposits	5.98	5.45	1.17	1.17
Insurance Claims	-	-	-	-
Claims receivable	-	-	0.39	1.42
Margin money Deposits (Refer note below)	-	-	-	0.11
Interest receivable	-	-	0.34	1.32
Tooling related receivables	-	32.24	11.65	-
Commission receivable (Refer note 35)	-	-	0.61	0.96
Derivative assets	-	-	-	2.56
Export Entitlement receivable	-	-	0.50	0.55
<b>Total</b>	<b>5.98</b>	<b>37.69</b>	<b>14.66</b>	<b>8.09</b>

##### 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, 2023	As at March 31, 2022
Opening Balance	16.46	16.62
Less: Current tax payable for the year	(34.75)	(14.71)
Add: Taxes paid	35.33	14.55
<b>Closing Balance</b>	<b>17.04</b>	<b>16.46</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

**10 Other assets**

(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances	3.96	4.60	-	-
Advances paid to suppliers	-	-	10.15	12.69
Advance to employees	-	-	0.40	0.13
Balance with statutory authorities	-	-	22.18	20.57
Deposit with government authorities	6.80	6.40	-	-
Assets relating to employee benefits (Gratuity) ( Refer Note 36)	-	-	-	0.15
Export entitlement receivable	-	-	0.86	4.65
Prepaid expenses	6.86	4.50	8.28	7.53
<b>Total</b>	<b>17.62</b>	<b>15.50</b>	<b>41.87</b>	<b>45.72</b>

**11 Inventories**

(At lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials (including Raw materials in-transit amounting to INR 2.80 Crores (March 31, 2022 - INR 2.60 Crores ))	67.89	47.84
Work-in-progress	25.59	20.98
Finished goods	96.44	90.42
Stores and spares	34.33	24.54
Goods in transit (Finished Goods)	7.76	7.03
<b>Total</b>	<b>232.01</b>	<b>190.81</b>

The Company has provided for Provision for inventory of INR 2.55 Crores (March 31, 2022 written back for INR 3.29 Crores) for the year ended March 31, 2023.

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, 2023	As at March 31, 2022
<b>From Related parties</b>		
Trade receivables considered good - unsecured	3.92	2.29
Trade receivable - credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	-	-
<b>Sub Total</b>	<b>3.92</b>	<b>2.29</b>
<b>From Others</b>		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	382.85	314.92
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	(5.88)	(4.04)
<b>Sub Total</b>	<b>376.97</b>	<b>310.88</b>
<b>Total</b>	<b>380.89</b>	<b>313.17</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	4.04	2.85
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.84	1.19
Bad debts written off/written back	-	-
Balance at the end of the year	5.88	4.04

The Company has not written off any trade receivable balances during the year.

As at March 31, 2023

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	
<b>Undisputed Trade receivables</b>							
(i) Considered good	339.12	45.48	1.01	0.61	0.14	0.41	386.77
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
<b>Disputed Trade receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-
<b>Total</b>	<b>339.12</b>	<b>45.48</b>	<b>1.01</b>	<b>0.61</b>	<b>0.14</b>	<b>0.41</b>	<b>386.77</b>

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	
<b>Undisputed Trade receivables</b>							
(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	-	-	-	-	-	-	-
<b>Disputed Trade receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	9.10
<b>Total</b>	<b>279.26</b>	<b>27.28</b>	<b>0.64</b>	<b>0.32</b>	<b>0.61</b>	<b>-</b>	<b>317.21</b>

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

The Company's exposure to credit and currency risks, loss allowances are disclosed in Note 33.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 13 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks (including deposits with original maturity upto 3 months)		
In Current account	6.77	6.14
In EEFC account	7.10	1.84
Cash on hand	0.02	0.02
<b>Total</b>	<b>13.89</b>	<b>8.00</b>

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, 2023	As at March 31, 2022
Cash and cash equivalents as above	13.89	8.00
Bank overdraft availed for cash management purposes	-	(1.46)
<b>Total</b>	<b>13.89</b>	<b>6.54</b>

### 14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in earmarked accounts		
In unpaid dividend account	0.09	0.13
<b>Total</b>	<b>0.09</b>	<b>0.13</b>

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

### 15 Equity share capital

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorised:</b>		
Equity Shares:		
2,50,00,000 (March 31, 2022: 2,50,00,000) equity shares of Rs.10 each	25.00	25.00
Preference shares:		
1,05,00,000 (March 31, 2022: 1,05,00,000) preference shares of Rs.10 each	10.50	10.50
<b>Issued, Subscribed and Fully paid up</b>		
1,62,65,267 (March 31, 2022: 1,62,65,267) equity shares of Rs.10 each fully paid-up	16.27	16.27
	<b>16.27</b>	<b>16.27</b>

#### 15.1 Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2023		March 31, 2022	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
<b>Equity Shares of Rs.10 each fully paid up</b>				
At the beginning of the year	1,62,65,267	16.27	1,45,65,309	14.57
Allotment of shares under preferential issue	-	-	16,99,958	1.70
<b>At the end of the year</b>	<b>1,62,65,267</b>	<b>16.27</b>	<b>1,62,65,267</b>	<b>16.27</b>

#### Rights, preferences and restrictions attached to Shares mentioned above :

The Company has one class of equity share having a par value of Rs.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 previous year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 15.2 Shares of the Company held by holding company and/ or their subsidiaries/associates

Name of the Share holder	No of shares held as at			
	March 31, 2023		March 31, 2022	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

### 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, 2023		March 31, 2022	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

### 15.4 Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares.
- The Company has not issued any stock options or warrants.

### 15.5 Shares held by promoters at the end of the year

Promoter Name	March 31, 2023		March 31, 2022		Change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of shares	% Change during the year
Rane Holdings Limited	1,16,72,774	71.77%	1,16,72,774	71.77%	-	0.00%
Shanthi Narayan	24,775	0.15%	24,775	0.15%	-	0.00%
Raman T G G	28,000	0.17%	28,000	0.17%	-	0.00%
Rathika R Sundaresan	20,000	0.12%	20,000	0.12%	-	0.00%
Chitra Sundaresan	12,604	0.08%	12,604	0.08%	-	0.00%
Geetha Raman Subramanyam	12,000	0.07%	12,000	0.07%	-	0.00%
Ranjini R Iyer	12,000	0.07%	12,000	0.07%	-	0.00%
Aditya Ganesh	8,483	0.05%	8,483	0.05%	-	0.00%
Aparna Ganesh	7,851	0.05%	7,851	0.05%	-	0.00%
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%
<b>Total promoter shareholding</b>	<b>1,18,15,955</b>	<b>72.65%</b>	<b>1,18,15,955</b>	<b>72.65%</b>	<b>-</b>	<b>0.00%</b>

\*Percentage rounded off

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 16 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	185.89	185.89
Securities Premium	187.82	187.82
Amalgamation adjustment account	(0.20)	(0.20)
Capital redemption reserve	12.73	12.73
Retained Earnings	(155.40)	(27.58)
<b>Total</b>	<b>230.84</b>	<b>358.66</b>

  

Particulars	As at March 31, 2023	As at March 31, 2022
<b>General Reserve</b>		
Opening balance	185.89	185.89
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>185.89</b>	<b>185.89</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.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium</b>		
Opening balance	187.82	149.51
Add: Addition during the year	-	38.31
<b>Closing balance</b>	<b>187.82</b>	<b>187.82</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Amalgamation Adjustment account</b>		
Opening balance	(0.20)	(0.20)
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>(0.20)</b>	<b>(0.20)</b>

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 business combinations made in the earlier years.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Capital Redemption Reserve</b>		
Opening balance	12.73	12.73
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>12.73</b>	<b>12.73</b>

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

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
Money Received against Share warrant		
Opening balance	-	10.00
Add: Additions/(Deletions) during the year	-	(10.00)
Closing balance	-	-

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

Particulars	No. of warrants	Amount
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, 2023	As at March 31, 2022
Retained Earnings		
Balance at the beginning of the year	(27.58)	(64.23)
Profit/(Loss) attributable to equity shareholders of the company	(126.54)	36.61
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation net of income tax	(1.28)	0.04
Balance at the end of the year	(155.40)	(27.58)

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 4.27 Crores as at March 31, 2023 (March 31, 2022: INR 2.99 Crores)

The board has not declared dividend for the year ended March 31, 2023 and March 31, 2022.

#### 17A Non-current borrowings

Particulars	Non-Current		Current Maturities (Refer Note 17B)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured - at amortised cost				
Term Loans				
- from banks	29.33	45.33	16.00	16.00
Sub Total	29.33	45.33	16.00	16.00
Secured - at amortised cost				
Term Loans				
- from banks	140.54	106.62	56.63	42.83
Sub Total	140.54	106.62	56.63	42.83
Total	169.87	151.95	72.63	58.83

#### Summary of borrowing arrangements

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2023 and 2022 are secured by a charge created on the Company's fixed assets both present and future (excluding immovable properties in Velachery and Mysuru).

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

The terms of repayment of term loans are given below

As at March 31, 2023

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	5.27	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	35.27	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	31.21	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	35.42	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
Exim Bank - INR Long Term Loan	90.00	Repayable in 16 equal quarterly Instalments commencing from October 2023 with 1 year of moratorium period
<b>Total</b>	<b>197.17</b>	

Unsecured

Particulars	Balance	Terms of repayment
Axis Bank - INR Long Term Loan	45.33	Repayable in 48 equal monthly Instalments commencing from February 2022 with 1 year of moratorium period

The interest rate for INR loans range from 6.02% p.a to 9.21% p.a

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
<b>Total</b>	<b>149.45</b>	

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.

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 17B Current borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Unsecured - at amortised cost</b>		
Loans from banks	45.00	54.56
<b>Secured - at amortised cost*</b>		
Loans from banks	237.03	181.17
Current maturities of long term borrowings	72.63	58.83
<b>Total</b>	<b>354.66</b>	<b>294.56</b>

The interest rate for INR loans range from 4.35% p.a to 8.25% p.a

\*Secured loans include cash credit, packing credit, Buyers Credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2023 and 2022 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

### 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, 2021	172.61	133.22	6.69
<b>Changes from financing cash flows</b>			
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)
<b>Other changes</b>			
New leases	-	-	0.13
Others	0.31	-	-
Interest expense	20.47	-	0.58
Interest paid	(21.13)	-	-
<b>Balance as at March 31, 2022</b>	<b>235.73</b>	<b>210.78</b>	<b>6.30</b>
<b>Changes from financing cash flows</b>			
Proceeds from long term borrowings	-	90.00	-
Repayment of long term borrowings	-	(58.83)	-
Proceeds from short term borrowings	1,012.54	-	-
Repayment of short term borrowings	(965.61)	-	-
Payment of lease liabilities	-	-	(1.26)
<b>Other changes</b>			
New leases	-	-	0.38
Others	(0.66)	-	-
Interest expense	26.50	0.55	0.59
Interest paid	(26.47)	-	-
<b>Balance as at March 31, 2023</b>	<b>282.03</b>	<b>242.50</b>	<b>6.01</b>



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment	7.51	7.01	0.80	0.72
Provision for Gratuity (Refer note 36)	-	-	0.89	-
Provision for Warranty*	-	-	6.37	4.35
<b>Total</b>	<b>7.51</b>	<b>7.01</b>	<b>8.06</b>	<b>5.07</b>

\*Previous year includes adjustments for set off of warranty provisions maintained by the Company against customer deductions towards warranty claims amounting to Rs 5.83 Crores for the year ended March 31, 2022.

(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

(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, 2021	6.80	8.62
Charged to profit or loss	3.42	5.27
Amounts utilised during the year	(2.49)	(9.54)
<b>As at March 31, 2022</b>	<b>7.73</b>	<b>4.35</b>
Charged to profit or loss	3.16	7.49
Amounts utilised during the year	(2.58)	(5.47)
<b>As at March 31, 2023</b>	<b>8.31</b>	<b>6.37</b>

### 19 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deferred income	1.86	1.65	0.54	0.93
Tooling advance received from customers	9.21	11.54	-	-
Statutory dues	-	-	7.60	8.43
Advances from customers	-	-	1.45	-
<b>Total</b>	<b>11.07</b>	<b>13.19</b>	<b>9.59</b>	<b>9.36</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 20 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Unclaimed dividends	0.09	0.13
Security deposits	1.08	1.10
Termination benefit under Voluntary Retirement Scheme	0.88	-
Payable to employees	13.65	15.19
Derivative Liability	2.28	-
Commission payable to chairman	-	1.07
Payables on purchase of fixed assets	1.02	2.46
Others <sup>^</sup>	20.37	17.95
<b>Total</b>	<b>39.37</b>	<b>37.90</b>

<sup>^</sup> Comprises of dealer incentives and royalty payable amounting to INR 16.64 Crores and INR 3.64 Crores respectively as at March 31, 2023 and INR 13.77 Crores and INR 3.44 Crores respectively as at March 31, 2022.

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

### 21 Deferred tax asset/(liability) (net)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax asset/(liabilities)	4.82	(1.93)
<b>Total</b>	<b>4.82</b>	<b>(1.93)</b>

#### Movements in deferred tax assets/(liabilities)

Particulars	Provision for employee benefit expense	Depreciation	Others <sup>^</sup>	Total
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)
Charged/(Credited)				
- to profit & loss	0.35	4.00	1.97	6.32
- to other comprehensive income	0.44	-	-	0.44
As at March 31, 2023	4.10	(3.61)	4.34	4.82

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

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following item, because as at the balance sheet date, 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, 2023		As at March 31, 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Fair value change on investments recognised at FVTPL	328.77	37.61	99.54	11.39

## 22 Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables - Micro enterprises and Small enterprises	2.52	2.18
Trade payables - Related Parties	14.38	6.86
Trade payables - Others	307.84	282.65
<b>Total</b>	<b>324.74</b>	<b>291.69</b>

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, 2023

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	
<b>Undisputed dues</b>							
(i) MSME	0.67	1.85	-	-	-	-	2.52
(ii) Others	22.38	270.12	0.54	0.46	0.48	-	293.98
<b>Disputed dues</b>							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Sub total</b>	<b>23.05</b>	<b>271.97</b>	<b>0.54</b>	<b>0.46</b>	<b>0.48</b>	<b>-</b>	<b>296.50</b>
Unbilled							28.24
<b>Total</b>							<b>324.74</b>

### 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	
<b>Undisputed dues</b>							
(i) MSME	-	2.18	-	-	-	-	2.18
(ii) Others	102.60	132.28	0.11	0.48	0.20	-	235.67
<b>Disputed dues</b>							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
<b>Sub total</b>	<b>102.60</b>	<b>134.46</b>	<b>0.11</b>	<b>0.48</b>	<b>0.20</b>	<b>-</b>	<b>237.85</b>
Unbilled							53.84
<b>Total</b>							<b>291.69</b>

The Company's exposure to currency and liquidity risk related to trade payables is disclosed in Note 33.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 22.1 Micro and small enterprises :

Particulars	As at March 31, 2023	As at March 31, 2022
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	2.52	2.18
- 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
- Interest	-	0.01
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 Rs.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.	-	-

This information has been determined to the extent such parties have been identified on the basis of information available with the Company

### 23 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sales of products - Revenue from contracts with customers	2,086.38	1,528.78
Other operating revenues		
- Scrap sales	26.63	17.89
- Job charges	0.20	0.05
- Export entitlements	10.34	8.28
<b>Total</b>	<b>2,123.55</b>	<b>1,555.00</b>

#### Reconciliation of revenue from sale of products

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross revenues	2,116.07	1,553.36
Less: Customer discounts	(29.69)	(24.58)
<b>Net revenues from sale of products</b>	<b>2,086.38</b>	<b>1,528.78</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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, 2023	Year ended March 31, 2022
<b>Revenue by geography</b>		
India	1,642.12	1,212.71
Outside India	444.26	316.07
<b>Total revenue from contracts with customers</b>	<b>2,086.38</b>	<b>1,528.78</b>
<b>Revenue by offerings</b>		
Manufactured goods		
Steering and Suspension Linkage Products, Steering Gear Products and Hydraulic Products	1,790.76	1,334.73
Diecasting products	218.42	127.49
Other Auto components	77.20	66.56
<b>Total revenue from contracts with customers</b>	<b>2,086.38</b>	<b>1,528.78</b>

### 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, 2023	Year ended March 31, 2022
Receivables, included under trade receivables	380.89	313.17
Contract liabilities included under advance from customers	1.45	-

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

### 24 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.29	0.37
-- On Supplier payments	0.08	0.08
Net gain on foreign currency transactions	8.73	0.05
Net gain on disposal of property, plant and equipment	0.15	0.17
Other non-operating income		
Income relating to financial guarantees	0.59	1.03
Government grant income	1.30	4.15
Others	0.81	0.94
<b>Total</b>	<b>11.95</b>	<b>6.79</b>



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 25 Cost of materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	47.84	38.21
Add: Purchases (Including inventory acquired through business combination of Rs. 3.06 Crores for the year ended March 31, 2022 (Refer Note 45))	1,313.66	986.08
Less: Closing stock	(67.89)	(47.84)
Raw materials and Components consumed	1,293.61	976.45
Freight inward	21.38	17.01
Job work expenses	74.11	56.10
<b>Total</b>	<b>1,389.10</b>	<b>1,049.56</b>

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Opening Stock:</b>		
Work-in-progress	20.98	16.18
Finished goods	97.45	59.08
<b>Closing Stock:</b>		
Work-in-progress	25.59	20.98
Finished goods	104.20	97.45
<b>(Increase)/Decrease in inventories</b>	<b>(11.36)</b>	<b>(43.17)</b>

### 27 Employee benefit expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	169.34	145.31
Contribution to		
Provident and Other Funds (Refer Note 36)	6.29	5.83
Superannuation Fund (Refer Note 36)	0.56	0.56
National Pension Scheme	0.20	0.17
Gratuity Fund (Refer Note 36)	1.83	1.64
Staff Welfare Expenses	14.34	13.41
<b>Total</b>	<b>192.56</b>	<b>166.92</b>

### 28 Finance cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest costs on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	26.71	18.47
Other borrowing costs	0.34	2.00
Interest on lease liabilities (Refer note 39)	0.59	0.58
<b>Total</b>	<b>27.64</b>	<b>21.05</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

**29 Depreciation and amortisation expense**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on Property, plant and equipment (Note 2)	69.27	59.49
Depreciation on Right to use assets (Note 3)	0.90	0.91
Amortisation of Intangible assets (Note 5)	2.83	0.71
<b>Total</b>	<b>73.00</b>	<b>61.11</b>

**30 Other expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	46.93	36.64
Rent expense	3.90	2.08
Travelling and Conveyance	11.24	6.05
Repairs and Maintenance		
- Buildings	4.45	3.71
- Plant and Machinery	19.48	14.05
- Others	2.07	1.82
Insurance	7.25	6.80
Rates and Taxes, excluding taxes on income	2.05	1.33
Auditors' Remuneration (Refer Note 30.1)	0.39	0.34
Directors' Sitting Fees	0.19	0.24
Professional Charges	15.56	12.80
Impairment loss / (write-back) on financial assets	1.84	1.19
Consumption of stores and spares	72.40	57.28
Packing materials consumed	53.40	44.69
Royalty and Technical Fees	1.49	0.39
Information Systems	9.15	5.90
Commission to Chairman	-	1.07
Freight Outward and Storage charges	56.82	37.46
Advertisement and Sales Promotion	2.26	0.91
Product Warranty	7.49	5.27
Trade Mark fee	10.38	7.66
Printing and Stationery	1.26	1.16
Postage and Telecom expenses	0.84	0.63
Bank Charges	1.03	0.84
Corporate Social Responsibility Expenditure (Refer Note 30.2)	0.58	0.72
Miscellaneous Expenses	4.33	3.82
<b>Total</b>	<b>336.78</b>	<b>254.85</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Included in other expenses are the below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>30.1. Payment to auditors</b>		
a) For audit	0.19	0.19
b) For taxation matters	0.01	0.01
c) For limited review	0.10	0.10
d) For certifications	0.04	0.03
e) For reimbursement of expenses	0.05	0.01
	<b>0.39</b>	<b>0.34</b>
<b>30.2. Expenditure incurred for Corporate social responsibility</b>		
(a) Amount required to be spent by the company during the year	0.57	0.70
(b) Amount approved by the board	0.57	0.70
(c) Amount spent during the year (in cash):		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
(a) Education	0.48	0.63
(b) Healthcare	0.05	0.08
(c) Community development	0.04	0.01
	<b>0.57</b>	<b>0.72</b>
(d) Excess / (shortfall) at the end of the year	-	0.02
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall(if any)	NA	NA
(g) Details of Related Party Transactions	Refer note below	Refer note below
(h) 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 Foundations of Rs.0.47 Crores (March 31, 2022: Rs. 0.56 Crores), over which the Company has significant influence (also refer note 35)

#### 31 Tax expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income taxes</b>		
Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	34.75	14.71
	<b>34.75</b>	<b>14.71</b>
<b>Deferred tax</b>		
In respect of current year	(6.32)	0.15
	<b>(6.32)</b>	<b>0.15</b>
<b>Total income tax expense recognised in the profit or loss</b>	<b>28.43</b>	<b>14.86</b>
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income taxes</b>		
Income tax recognised in other comprehensive income		
<b>Deferred tax</b>		
In respect of current year	(0.44)	0.01
<b>Total income tax expense /(gain) recognised in other comprehensive income</b>	<b>(0.44)</b>	<b>0.01</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

## Reconciliation of Effective tax rate:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(Loss) before tax	(98.11)	51.47
Add: Exceptional item - Fair value change of investment	223.28	-
	125.17	51.47
Income Tax expense calculated at 25.17% (2021-22: 25.17%)	31.50	12.95
Tax incentives	-	-
Non deductible expense	(3.01)	1.81
Tax exempt income	-	(0.55)
Deductions under Chapter VI A	(0.06)	(0.09)
Impact of change in tax rates & effects of taxes relating to earlier years	-	0.74
Income Tax expense recognised in profit or loss	28.43	14.86

The tax rate used for the 2022-23 and 2021-22 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 Accounting ratios

Ratio	Note No.	Numerator	Denominator	As at March 31, 2023	As at March 31, 2022	Variance (%)	Reasons
Current ratio	(a)	Current assets	Current liabilities	0.93	0.89	5%	No significant change
Debt - equity ratio	(b)	Total debt	Total equity	2.12	1.19	78%	Due to fair value loss recognised in relation to investments
Debt service coverage ratio	(c)	Earnings available for debt services	Total interest and principal repayments	2.28	1.71	34%	Due to higher revenues
Return on equity ratio	(d)	Profit after tax	Average shareholders' equity	-40.69%	10.72%	-480%	Due to fair value loss recognised in relation to investments
Inventory turnover ratio	(e)	Cost of goods sold	Average inventory	7.11	6.86	4%	No significant change
Trade Receivables turnover ratio	(f)	Sales	Average trade receivables	6.09	5.57	9%	No significant change
Trade payables turnover ratio	(g)	Purchases	Average trade payables	4.98	4.19	19%	No significant change
Net capital turnover ratio	(h)	Revenue from operations	Working capital	(39.71)	(21.37)	86%	Due to higher term loan repayment in next 12 months and increase in working capital loan
Net profit ratio	(i)	Profit after tax	Revenue from operations	-5.96%	2.35%	-353%	Due to fair value loss recognised in relation to investments
Return on Capital employed	(j)	Earnings before interest and taxes	Capital employed	20.14%	8.81%	129%	Due to higher revenues and profits
Return on Investment	(k)	Income generated from invested funds	Average invested funds in treasury investments	-	-	0%	Not applicable

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

(a) Current ratio			
Particulars	As at March 31, 2023	As at March 31, 2022	
Current assets	683.72	566.46	
Current liabilities	737.19	639.21	
	0.93	0.89	
(b) Debt Equity Ratio			
Particulars	As at March 31, 2023	As at March 31, 2022	
Total Debt	524.53	446.51	
Total equity	247.11	374.93	
	2.12	1.19	
(c) Debt Service Coverage Ratio			
Particulars	As at March 31, 2023	As at March 31, 2022	
Profit after tax	(126.54)	36.61	
Add: Exceptional item(non cash item - fair value reduction on overseas investment)	223.28	-	
Add: Depreciation and amortisation expense	73.00	61.11	
Add: Finance costs	27.64	21.05	
Earnings available for debt services	197.38	118.77	
Interest payment on borrowings	26.47	21.13	
Lease payments	1.26	1.10	
Principal repayments	58.83	47.42	
Total interest and principal repayments	86.56	69.65	
	2.28	1.71	
(d) Return on equity (ROE)			
Particulars	As at March 31, 2023	As at March 31, 2022	
Profit after tax	(126.54)	36.61	
Average share holders' equity (Refer note below)	311.02	341.60	
	-40.69%	10.72%	
Note:			
Average shareholders' equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) / 2			
(e) Inventory turnover ratio			
Particulars	As at March 31, 2023	As at March 31, 2022	
Cost of Goods sold	1,503.54	1,108.36	
Average Inventory	211.41	161.65	
	7.11	6.86	

Note:

- Cost of goods sold = Cost of materials consumed + Changes in inventories of finished goods and work-in-progress + Consumption of packing material + Consumption of stores and spares
- Average inventory = (Total inventory as at beginning of respective year + Total inventory as at end of respective year) / 2

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

## (f) Trade Receivables turnover ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Turnover	2,113.21	1,546.72
Average trade receivables	347.03	277.70
	6.09	5.57

Note:

1. Turnover = Revenue from operations - Export entitlements.
2. Average trade receivables = (Total trade receivables as at beginning of respective year + Total trade receivables as at end of respective year) / 2

## (g) Trade payables turnover ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Purchases	1,534.95	1,161.16
Average creditors	308.22	277.20
	4.98	4.19

Note:

1. Purchases = Purchase of materials+ Job work charges+Freight inward+ consumption of stores and spares+Consumption of packing material.
2. Average trade payables = (Total trade payables as at beginning of respective year + Total trade payables as at end of respective year) / 2

## (h) Net capital turnover ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Revenue from operations	2,123.55	1,555.00
Working capital	(53.47)	(72.75)
	(39.71)	(21.37)

Note: Working capital = Current assets - Current liabilities

## (i) Net profit ratio

Particulars	As at March 31, 2023	As at March 31, 2022
Profit after tax	(126.54)	36.61
Revenue from operations	2,123.55	1,555.00
	(5.96)%	2.35%

## (j) Return on Capital employed

Particulars	As at March 31, 2023	As at March 31, 2022
Earnings before interest and taxes	155.42	72.52
Capital employed	771.64	823.37
	20.14%	8.81%

Note:

1. Earnings before interest and taxes = Profit before tax before exceptional items + Finance costs
2. Capital employed = Total equity + Total debt + Deferred tax liabilities

## (k) Return on Investment

Particulars	As at March 31, 2023	As at March 31, 2022
Income generated from invested funds	-	-
Average invested funds in treasury investments	-	-



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 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.

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

Particulars	As at March 31, 2023	As at March 31, 2022
Debt *	524.53	446.51
Cash and bank balances	(13.98)	(8.13)
Net debt	510.55	438.38
Total Equity**	247.11	374.93
Net debt to equity ratio	2.07	1.17

\*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, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Loans	-	-	0.31	-	-	0.54
Investments	38.44	-	1.46	172.05	-	1.46
Trade Receivables	-	-	380.89	-	-	313.17
Cash and Cash Equivalents	-	-	13.89	-	-	8.00
Bank balances other than above	-	-	0.09	-	-	0.13
Other Financial assets	-	-	20.64	-	-	43.22
Derivative assets	-	-	-	2.56	-	-
<b>Total Financial Assets</b>	<b>38.44</b>	<b>-</b>	<b>417.28</b>	<b>174.61</b>	<b>-</b>	<b>366.52</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	524.53	-	-	446.51
Trade Payables	-	-	324.74	-	-	291.69
Lease Liability	-	-	6.01	-	-	6.30
Other Financial liabilities	-	-	37.09	-	-	37.90
Derivative Liability	2.28	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>2.28</b>	<b>-</b>	<b>892.37</b>	<b>-</b>	<b>-</b>	<b>782.40</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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, 2023	As at March 31, 2022	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
<b>Financial assets</b>				
Investments	38.44	172.05	3	The fair value is estimated considering the discounted cash flow projections calculated using discount rates adjusted for company specific risk.
Derivative Assets	-	2.56	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
<b>Total</b>	<b>38.44</b>	<b>174.61</b>		
<b>Financial liabilities</b>				
Derivative liabilities	2.28	-	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
<b>Total</b>	<b>2.28</b>	<b>-</b>		

### 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, 2021	106.70
Investments made during the year	70.42
Net change in Fair value (Unrealised)	-
Net loss on restatement	(5.07)
Balance as at March 31, 2022	172.05
Investments made during the year	76.04
Net change in Fair value (Unrealised)	(223.28)
Net loss on restatement	13.63
Balance as at March 31, 2023	38.44

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.

Particulars	As at March 31, 2023	As at March 31, 2022
Discount rate	12.00% to 15.50%	8.20% to 9.20%
Terminal value growth rate	2.50%	2.50%
Revenue growth rate	12.20%	15.38%

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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
<b>March 31, 2022</b>		
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
<b>March 31, 2023</b>		
Annual revenue growth rate (1% movement)	4.39	(2.99)
Terminal value growth rate (1% movement)	0.62	(0.62)
Risk adjusted discount rate (1% movement)	(0.88)	0.88

### \* 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.

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

#### (a) Market risk

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

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as reported to the management are as follows

Particulars	As at March 31, 2023		As at March 31, 2022	
	In equivalent INR (Crores)	In Foreign Currency (Crores)	In equivalent INR (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
<b>Financial Assets</b>				
<b>USD</b>				
Trade Receivable	112.38	1.37	99.33	1.31
Commision Receivables	0.61	0.01	0.96	0.01
Fair value of financial guarantee given to subsidiaries	1.87	0.03	1.87	0.03
Bank Balances	6.72	0.08	1.77	0.02
<b>EUR</b>				
Non Convertible Non Cumulative Redeemable Preference Shares	36.57	4.08	170.18	2.01
Trade Receivable	22.20	0.25	12.70	0.15
Bank Balances	0.37	0.00	0.08	0.00
<b>Sub Total</b>	<b>180.72</b>		<b>286.89</b>	
<b>Financial Liabilities</b>				
<b>USD</b>				
Loans from banks	-	-	(62.47)	(0.83)
Trade Payable	(5.62)	(0.07)	(4.05)	(0.05)
<b>EUR</b>				
Loans from banks	-	-	(12.25)	(0.15)
Trade Payable	(0.73)	(0.01)	(0.43)	(0.01)
Capital creditors	(0.07)	(0.00)	-	-
<b>SGD</b>				
Trade Payable	-	-	(0.07)	-
<b>GBP</b>				
Trade Payable	(0.01)	-	-	-
<b>JPY</b>				
Trade Payable	(0.10)	(0.02)	-	-
<b>Sub Total</b>	<b>(6.53)</b>		<b>(79.27)</b>	
<b>Net Balance</b>	<b>174.19</b>		<b>207.62</b>	

### 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.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Currency USD impact		Currency EUR impact		Currency JPY impact	
	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Impact on profit or loss for the year						
- Increase by 5%	5.70	1.76	19.36	8.49	0.00	-
- Decrease by 5%	(5.70)	(1.76)	(19.36)	(8.49)	(0.00)	-

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, 2023		As at March 31, 2022	
	Foreign currency (In Crores)	In Rs. (In Crores)	Foreign currency (In Crores)	In Rs. (In Crores)
Forward Contracts				
In USD	1.45	118.27	1.96	154.96
In Euro	0.28	24.86	0.17	14.66
Total forwards		143.13		169.62

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, 2023	As at March 31, 2022
Not later than 1 month	25.20	1.52
Later than 1 month but not later than 3 months	49.76	44.25
Later than 3 months upto 6 months	68.17	33.05
Later than 6 months but not later than 1 year	-	42.77
Later than 1 year	-	48.03
Total	143.13	169.62

As at March 31, 2023, 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.

### 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.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### Exposure to interest rate risk

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	524.53	446.51

### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Profit/(Loss)	
	Increase	Decrease
<b>March 31, 2023</b>		
Variable rate instruments	(5.25)	5.25
<b>March 31, 2022</b>		
Variable rate instruments	(4.47)	4.47

### (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.

Particulars	Net carrying amount	
	As at March 31, 2023	As at March 31, 2022
India	274.39	217.88
USA	49.90	51.90
Europe	20.20	16.85
Rest of the world	42.28	30.58

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

#### As at March 31, 2023

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.19%	339.12	0.63	No
1-30 days past due	1.19%	28.49	0.34	No
31-60 days past due	4.83%	3.52	0.17	No
61-90 days past due	6.94%	6.20	0.43	No
More than 90 days past due	45.66%	9.44	4.31	No

#### As at March 31, 2022

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.16%	279.26	0.46	No
1-30 days past due	1.23%	22.76	0.28	No
31-60 days past due	4.26%	4.23	0.18	No
61-90 days past due	7.45%	1.88	0.14	No
More than 90 days past due	32.83%	9.08	2.98	No



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

(i) **Expected credit loss for loans, security deposits and other financial assets**

The estimated gross carrying amount at default is Rs. 0.90 Crores (March 31, 2022: Rs. 0.90 Crores) 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.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2023

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	360.11	201.90	-	562.01	524.53
Trade Payables	324.74	-	-	324.74	324.74
Lease liability	0.80	2.14	10.67	13.61	6.01
Other Financial liabilities	37.09	-	-	37.09	37.09
<b>Total</b>	<b>722.74</b>	<b>204.04</b>	<b>10.67</b>	<b>937.45</b>	<b>892.37</b>

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
<b>Total</b>	<b>637.41</b>	<b>162.16</b>	<b>19.95</b>	<b>819.52</b>	<b>782.40</b>

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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 exceeded the threshold on certain covenants regarding financial ratios as at March 31, 2023. The Company is in the process of and believes that it would obtain necessary waivers / extension from the bankers and /or cure the breach within the permitted time periods and there is no event of default in this regard.

### 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 contract with customers by location of operations and information about its non current assets\*\* by location of operations are detailed below.

Particulars	Revenue from contract with customers		Non - current assets**	
	Year ended March 31, 2023	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
India	1,642.12	1,212.71	426.38	399.62
Rest of the world	444.26	316.07	-	-
<b>Total</b>	<b>2,086.38</b>	<b>1,528.78</b>	<b>426.38</b>	<b>399.62</b>

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.

#### 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 Rs. 690.82 Crores (March 31,2022 - Rs. 530.29 Crores).

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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), Netherlands
	Rane Light Metal Castings Inc. (LMCA), USA
Other related parties where transaction have taken place during the year	
(b) Key Management Personnel	L Ganesh, Chairman
	Harish Lakshman, Vice chairman
	Gowri Kailasam - Manager & President
(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. (RHA)
	Rane Brake Lining Limited (RBL)
	Rane Holdings Europe GmbH (RHEG)
	Rane t4u Private Limited (RT4U)
(f) Associate / joint venture 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 STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

## Details of related party transactions:

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Associate / joint venture of the Holding company		Post employment benefit plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Transaction during the year																		
Sales																		
Sales-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	13.27	13.19	-	-	13.27	13.19
Sales-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-
Other income																		
Testing charges - ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	0.12
Purchases																		
Purchases RBL	-	-	-	-	-	-	-	-	-	-	2.31	2.70	-	-	-	-	2.31	2.70
Purchases REVL	-	-	-	-	-	-	-	-	-	-	2.04	2.36	-	-	-	-	2.04	2.36
Purchases-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	2.05	1.97	-	-	2.05	1.97
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	33.44	30.82	-	-	33.44	30.82
Purchase of Machinery-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	1.00
Purchase of PPE kits, masks-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.05	-	-	0.01	0.05
Expenses																		
Professional Charges - RHL	7.30	4.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7.30	4.39
Software Expenses - RHL	5.17	4.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.17	4.14
Training Expenses - RHL	0.65	0.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.65	0.46
Trademark Fee - RHL	10.37	7.66	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.37	7.66
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	3.08	2.27	-	-	-	-	3.08	2.27
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	0.83	0.49	-	-	-	-	0.83	0.49
Donation-Rane Foundation	-	-	-	-	-	-	-	-	0.47	0.56	-	-	-	-	-	-	0.47	0.56
Miscellaneous Expenses - RHL	0.61	0.46	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.61	0.46
Testing charges - RNSS	-	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-	0.32	-
Service fee - RT4U	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Reimbursement of expenses to RHL	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03
Reimbursement of Expenses to RBL	-	-	-	-	-	-	-	-	-	-	0.02	0.01	-	-	-	-	0.02	0.01
Reimbursement of Expenses from REVL	-	-	-	-	-	-	-	-	-	-	0.23	0.07	-	-	-	-	0.23	0.07
Reimbursement of Expenses from RBL	-	-	-	-	-	-	-	-	-	-	1.09	0.34	-	-	-	-	1.09	0.34
Reimbursement of Expenses to ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.10

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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)		Associate / joint venture of the Holding company		Post employment benefit plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Reimbursement of Expenses from ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.22	0.08	-	-	0.22	0.08
Reimbursement of Expenses from RNSS	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-
<b>Capital Expenditure</b>																		
Licence Fee	0.02	0.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.54
<b>Loans, investments and guarantees</b>																		
Investments in NCRPS of subsidiary-RMIH	-	-	76.04	64.81	-	-	-	-	-	-	-	-	-	-	-	-	76.04	64.81
Preferential Issue of Equity shares	-	30.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.01
Impairment loss	-	-	223.28	-	-	-	-	-	-	-	-	-	-	-	-	-	223.28	-
Financial Guarantee-LMCA	-	-	-	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01
Financial Guarantee-RMIH	-	-	-	0.06	-	-	-	-	-	-	-	-	-	-	-	-	-	0.06
SBLC availed/(repaid)- RBL-LMCA	-	-	19.62	37.86	-	-	-	-	-	-	-	-	-	-	-	-	19.62	37.86
SBLC availed/(repaid)- EXIM-LMCA	-	-	(5.15)	11.74	-	-	-	-	-	-	-	-	-	-	-	-	(5.15)	11.74
SBLC commission income - LMCA	-	-	0.59	0.96	-	-	-	-	-	-	-	-	-	-	-	-	0.59	0.96
<b>Contributions to post employment benefit plan</b>																		
Contributions to RMEGF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.51	2.90	2.51	2.90
Contributions to RMESEPF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.55	0.58	0.55	0.58
<b>Remuneration to KMP</b>																		
Commission to Chairman	-	-	-	-	-	1.07	-	-	-	-	-	-	-	-	-	-	-	1.07
Salaries - Ms. Gowri Kailasam	-	-	-	-	1.52	1.17	-	-	-	-	-	-	-	-	-	-	1.52	1.17
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	0.75	0.59	-	-	-	-	-	-	-	-	0.75	0.59
Sitting Fees	-	-	-	-	0.06	0.07	-	0.01	-	-	-	-	-	-	-	-	0.06	0.08

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

## Details of related party transactions:

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Associate / joint venture of the Holding company		Post employment benefit plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balance as at year end March 31,																		
<b>Payables</b>																		
RHL	4.99	0.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.99	0.88
Mr L Ganesh	-	-	-	-	-	1.07	-	-	-	-	-	-	-	-	-	-	-	1.07
REVL	-	-	-	-	-	-	-	-	-	-	0.07	0.10	-	-	-	-	0.07	0.10
RBL	-	-	-	-	-	-	-	-	-	-	0.74	0.62	-	-	-	-	0.74	0.62
RHAI	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01
RHEG	-	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06	-
ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.65	0.57	-	-	0.65	0.57
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	7.87	4.68	-	-	7.87	4.68
<b>Receivables</b>																		
REVL	-	-	-	-	-	-	-	-	-	-	0.05	0.02	-	-	-	-	0.05	0.02
RHAI	-	-	-	-	-	-	-	-	-	-	0.17	-	-	-	-	-	0.17	-
RHEG	-	-	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02	-
ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	3.68	2.22	-	-	3.68	2.22
LMCA	-	-	0.61	0.96	-	-	-	-	-	-	-	-	-	-	-	-	0.61	0.96
<b>Other balances</b>																		
Investment in equity shares- RMIH	-	-	0.15	0.15	-	-	-	-	-	-	-	-	-	-	-	-	0.15	0.15
Investment in NCRPS of subsidiary-RMIH	-	-	365.34	269.72	-	-	-	-	-	-	-	-	-	-	-	-	365.34	269.72
FMV of financial guarantee given	-	-	1.87	1.87	-	-	-	-	-	-	-	-	-	-	-	-	1.87	1.87
SBLC - RBL - LMCA	-	-	57.48	37.86	-	-	-	-	-	-	-	-	-	-	-	-	57.48	37.86
SBLC - EXIM- LMCA	-	-	89.50	94.65	-	-	-	-	-	-	-	-	-	-	-	-	89.50	94.65



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### Remuneration to Key Management personnel

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short term benefits paid	3.94	2.16
Post employment benefits		
Other Long term benefits paid	0.09	0.08
Termination Benefits	-	-
<b>Total</b>	<b>4.03</b>	<b>2.24</b>

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 Rs. 6.85 Crores (for the year ended March 31, 2022: Rs. 6.39 Crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at March 31, 2023, contributions of Rs. 1.12 Crores (as at March 31, 2022: Rs. 1.14 Crores) due in respect to 2022-23 (2021-22) 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, 2023

(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 governed by the Payment of Gratuity Act, 1972, 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, 2023	Year ended March 31, 2022
Opening defined benefit obligation	25.05	22.41
Current Service Cost	1.93	1.67
Provision assumed on account of business combination (Refer note 45)	-	0.12
Interest cost	1.73	1.50
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	1.46	0.48
Actuarial gains and losses arising from changes in financial assumptions	-	-
Actuarial gains and losses arising from experience adjustments	-	-
Benefits paid	(2.71)	(1.13)
Closing defined benefit obligation	27.46	25.05

#### (ii) Movements in the fair value of the plan assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening fair value of plan assets	25.20	21.38
Interest income	1.84	1.53
Remeasurement gain/(loss)		
Return on plan assets (excluding amounts included in net interest expense)	(0.26)	0.53
Contributions from the Employer	2.51	2.90
Benefits paid	(2.72)	(1.14)
Closing fair value of plan assets	26.57	25.20

#### (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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	27.46	25.05
Less: Fair value of plan assets	(26.57)	(25.20)
Funded status	0.89	(0.15)
Net (asset)/liability arising from defined benefit obligation	0.89	(0.15)
Current	0.89	(0.15)
Non Current	-	-

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023	Year ended March 31, 2022
Service Cost :		
Current Service cost	1.93	1.67
Net interest Expense	(0.10)	(0.03)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.83</b>	<b>1.64</b>
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	1.46	0.48
Actuarial (gains) / losses arising from changes in financial assumptions	0.26	(0.53)
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>1.72</b>	<b>(0.05)</b>
<b>Total</b>	<b>3.55</b>	<b>1.59</b>

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, 2023	March 31, 2022
Discount Rate	7.20%	7.32%
Expected Rate of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Attrition Rate		
Executives and Staff	6.01%	4.70%
Operators	2.09%	1.27%

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, 2023

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

### Sensitivity Analysis

Changes in assumption	Valuation as at	
	March 31, 2023	March 31, 2022
A. Discount Rate + 50 BP	7.70%	7.82%
Defined Benefit Obligation	26.41	24.01
Increase/(Decrease)	1.05	1.04
B. Discount Rate - 50 BP	6.7%	6.8%
Defined Benefit Obligation	28.60	26.16
Increase/(Decrease)	(1.14)	(1.11)
C. Salary Escalation Rate +50 BP	8.5% pa and 6.5% pa	8.5% pa and 6.5% pa
Defined Benefit Obligation	28.62	26.17
Increase/(Decrease)	(1.16)	(1.12)
D. Salary Escalation Rate -50 BP	7.5% pa and 5.5% pa	7.5% pa and 5.5% pa
Defined Benefit Obligation	26.37	23.98
Increase/(Decrease)	1.09	1.07
E. Attrition Rate +50 BP	6.51% pa and 2.59% pa	5.20% pa and 1.77% pa
Defined Benefit Obligation	27.51	25.10
Increase/(Decrease)	(0.05)	(0.05)
F. Attrition Rate -50 BP	5.51% pa and 1.59% pa	4.20% pa and 0.77% pa
Defined Benefit Obligation	27.42	24.99
Increase/(Decrease)	0.04	0.06

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 8.8 years (2022-9.4 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	1.89	1.38
Year 2	2.95	3.46
Year 3	3.29	1.44
Year 4	2.78	2.83
Year 5	3.24	2.33
Next 5 Years	12.44	12.14

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 37 Earnings per share:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings per share (in Rs.)	(77.80)	23.94
Diluted Earnings per share (in Rs.)	(77.80)	23.94

#### 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, 2023	Year ended March 31, 2022
Profit/(Loss) for the year	(126.54)	36.61
Earnings used in the calculation of basic earnings per share	(126.54)	36.61

Particulars	In Nos. Year ended March 31, 2023	In Nos. Year ended March 31, 2022
(a) Number of equity Shares of Rs. 10 each outstanding at the end of the year	1,62,65,267	1,62,65,267
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,62,65,267	1,52,91,866

#### Diluted Earnings per share

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings used in the calculation of basic earnings per share	(126.54)	36.61
Earnings used in the calculation of diluted earnings per share	(126.54)	36.61

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:

Particulars	In Nos. Year ended March 31, 2023	In Nos. Year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	1,62,65,267	1,52,91,866
Effect of Convertible share warrants	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,62,65,267	1,52,91,866

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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 or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise 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, whether recorded in writing or otherwise 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 Parties (Ultimate Beneficiaries) or
  - 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) The Company has not revalued its property, plant and equipment(including Right of use assets / intangible assets/ both during the current/previous year.
- (xi) The Company has not entered into any scheme of arrangements as per sections 230 to 237 of the Companies Act, 2013.
- (xii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.



# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

(xiii) 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 information submitted	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	(i) RBL Bank Limited	Trade receivables	342.97	337.40	5.57	The amount reported excludes debtors more than 90 days
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited	Trade payables	321.40	213.82	107.58	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(v) Standard chartered Bank					
	(vi) Axis Bank					
	(vii) ICICI Bank					
Sep-22	(i) RBL Bank Limited	Trade receivables	364.96	359.03	5.93	The amount reported excludes debtors more than 90 days
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited	Trade payables	337.62	199.86	137.76	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(v) Standard chartered Bank					
	(vi) Axis Bank					
	(vii) ICICI Bank					
Dec-22	(i) RBL Bank Limited	Trade receivables	344.69	339.35	5.34	The amount reported excludes debtors more than 90 days.
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited	Trade payables	350.95	215.12	135.83	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(v) Standard chartered Bank					
	(vi) Axis Bank					
	(vii) ICICI Bank					
Mar-23	(i) RBL Bank Limited	Trade receivables	380.89	376.46	4.43	The amount reported excludes debtors more than 90 days.
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited	Trade payables	324.74	214.90	109.84	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(v) Standard chartered Bank					
	(vi) Axis Bank					
	(vii) ICICI Bank					
	(viii) State Bank of India					

### Notes:

1. Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission except as at March 31, 2023.
2. Quarterly information requirements for individual banks may be different for similar line items.
3. The above information is based on the revised returns/ statements filed.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 39 Leases

The Company leases warehouse and factory facilities. The leases typically run for a period of ranging between 2 years to 35 years.

Some property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility.

#### 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, 2023	As at March 31, 2022
Current lease liabilities	0.77	0.63
Non-current lease liabilities	5.24	5.67
<b>Total</b>	<b>6.01</b>	<b>6.30</b>

#### b) Movement in Lease liabilities :

The following is the movement in lease liabilities:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance	6.30	6.69
Additions	0.38	0.13
Finance costs accrued during the period	0.59	0.58
Deletions	-	-
Payment of Lease liabilities	(1.26)	(1.10)
<b>Closing balance</b>	<b>6.01</b>	<b>6.30</b>

#### c) The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	0.80	1.18
One to five years	2.14	2.04
More than five years	10.67	11.24
<b>Total</b>	<b>13.61</b>	<b>14.46</b>

#### d) Amounts recognized in profit or loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liabilities	0.59	0.58
Expenses relating to short- term leases recognised in other expenses	3.90	2.08

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### e) Amounts recognized/disclosed in Cash flow statement

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total cash outflows for leases included under financing activities	1.26	1.10

### 40 Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities</b>		
Claims against the Company not acknowledged as debt		
- Income Tax matters under appeal	17.87	18.52
- Central Excise, Service Tax and Sales tax matters under appeal	8.98	8.88
- Labour related matters under appeal	5.06	4.64
<b>Total</b>	<b>31.91</b>	<b>32.04</b>

In addition to the above, the Company from time to time is also engaged in proceedings pending with various authorities in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these matters, which could change substantially over time as each of the matters progresses depending on experience on actual assessment proceedings by the respective authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, as considered necessary, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision / disclosures are required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Company's financial position and results of operations.

### 40A Guarantees and commitment

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Guarantees and Letter of credit</b>		
-Standby Letter of credit	146.98	132.51
<b>Commitments</b>		
-Estimated amount of contracts remaining to be executed on capital account and not provided for	14.34	10.11

### 41 Events after the reporting date

The Company has evaluated subsequent events from the balance sheet date through May 05, 2023, the date on which the standalone financial statements were authorised for issue, and determined that there are no items to disclose.

### 42 Exceptional item

Exceptional item includes Rs. 2.61 Crores expenditure incurred towards Voluntary Retirement Scheme during the year ended March 31, 2023.

### 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, 2023.

# NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023

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, 2023 and March 31, 2022

Currency	Buy/Sell	As at March 31, 2023	As at March 31, 2022
USD	Sell	118.27	154.96
Euro	Sell	24.86	14.66

### 45 Business combinations

Acquisition of Steering Component business ("Undertaking")

The Company 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
<b>Total consideration for business combination</b>	<b>23.19</b>

#### 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)
<b>Total net identifiable assets acquired</b>	<b>22.62</b>

#### C. Goodwill

Particulars	Amount
Consideration transferred	23.19
Fair value of net identifiable assets	22.62
<b>Goodwill</b>	<b>0.57</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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
<b>Investment Made (Gross carrying amount)</b>			
Rane (Madras) International Holdings B.V. (WOS)	0.15	Investment in WOS	Equity Investment
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	365.34	Investment in NCRPS of WOS	For Equity investment of RMIH to LMCA, Payment of EXIM Bank loan interest, meeting local establishment expenses
<b>SBLC availed</b>			
Rane Light Metal Castings Inc. (Step Down subsidiary-SDS)	146.98	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 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 05, 2023.

In terms of our report of even date attached  
**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm's registration no. 101248W/W-100022

**S Sethuraman**  
 Partner  
 Membership no: 203491  
 Chennai  
 May 05, 2023

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 05, 2023

# 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 31 March 2023, 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 the 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 31 March 2023, 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.

### Key Audit Matter(s)

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.

#### 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 key audit matter	How the matter was addressed in our audit
<p>The Group has identified LMCA as a separate cash generating unit ('CGU'), which has carrying value of INR 164.41 Crores as at March 31, 2023.</p> <p>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. Based on the assessment carried out by the management, an impairment loss of INR 9.05 Crores has been recorded during the current year.</p> <p>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.</p> <p>We have identified the assessment of impairment of CGU as a key audit matter since it involves significant judgement in making the above estimates especially in view of uncertain market conditions and hence the actual results may differ from those estimated at the date of approval of these financial statements.</p>	<p>In view of the significance of the matter, we applied the following audit procedures as applicable in this area, among others to obtain sufficient appropriate audit evidence in the context of step-down subsidiary LMCA whose separate financial statements have been audited by the component auditor:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of accounting policy as per relevant accounting standard.</li> <li>Assessed the design and implementation of key internal financial controls with respect to impairment of CGU and tested the operating effectiveness of such controls.</li> <li>Involved our valuation specialist to assist us in evaluating the appropriateness of the valuation model, the assumptions and methodologies used by the Group for assessing the recoverable values of the CGU.</li> <li>Evaluated the objectivity, independence and competence of the valuation specialist engaged by the Group.</li> <li>Evaluated the appropriateness of the key assumptions used in estimating future cash flows such as revenue growth rate, discount rate, terminal growth rate. 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.</li> <li>Performed procedures in respect of sensitivity analysis of the key assumptions used in the impairment assessment.</li> <li>Performed procedures as specified in SA 600 "Using the work of another auditor" to evaluate the reasonableness of impairment assessment.</li> <li>Assessed the adequacy of the disclosures relating to impairment of CGU in the consolidated financial statements.</li> </ul>



## 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 Board's report, Management Discussion and Analysis and Corporate Governance Report, but does not include the financial statements and auditor's report thereon.

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 the 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 auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

### Other Matters

- a. We did not audit the financial statements of one step-down subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 209.12 Crores as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 230.89 Crores and net cash flows (before consolidation adjustments) amounting to Rs.9.45 Crores for the year ended on that date, as considered in the consolidated financial statements. This financial statements have been audited by other auditor whose report has 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 report of the other auditor.

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 report of the other auditors and the financial information certified by the management.

- b. The financial information of one subsidiary, whose financial information reflect total assets (before consolidation

adjustments) of Rs.17.18 Crores as at 31 March 2023, total revenues (before consolidation adjustments) of Rs.Nil and net cash flows (before consolidation adjustments) amounting to Rs.0.85 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 auditor. This unaudited financial information has 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-section (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 this matter with respect to 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 report 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 written representation, received from the directors taken on record by the Board of directors of the Holding

- company as on 31 March 2023, none of the Directors of the Group companies is disqualified as on 31 March 2023 from being appointed as 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 Auditors) 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 report 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 31 March 2023 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 31 March 2023.
- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2023.
- d. (i) The management of the Holding Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 38(iii) to the consolidated 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 Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company represented that, to the best of knowledge and belief, as disclosed in the Note 38(iv) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company have neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. 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 No.:101248W/W-100022

**S Sethuraman**  
Partner

Place: Chennai  
Date: 05 May 2023

Membership No.: 203491  
ICAI UDIN:23203491BGYXWW2697

## Annexure A to the Independent Auditors' report

on the Consolidated Financial Statements of Rane (Madras) Limited for the year ended March 31, 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditor in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Rane (Madras) Limited	L65993TN2004PLC052856	Holding Company	Clause (ii) (b)

For B S R & Co. LLP

Chartered Accountants

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

S Sethuraman

Partner

Membership No.: 203491

ICAI UDIN:23203491BGYXWW2697

Place: Chennai

Date: 05 May 2023

# Annexure B to the Independent Auditors' report

on the consolidated financial statements of Rane (Madras) Limited for the year ended March 31, 2023

**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 Rane (Madras) Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of 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 financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to 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 and Board of Directors' Responsibilities for Internal Financial Controls

The Holding 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 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditor's Responsibility

Our responsibility is to express an opinion on the 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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to

financial statements, 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 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 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 consolidated 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 consolidated 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 consolidated 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Chartered Accountants

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

**S Sethuraman**

Partner

Place: Chennai

Date: 05 May 2023

Membership No.: 203491

ICAI UDIN: 23203491BGYXWW2697



# CONSOLIDATED BALANCE SHEET

## AS AT MARCH 31, 2023

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

S.No	Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
<b>A.</b>	<b>ASSETS</b>			
	<b>Non-current assets</b>			
(a)	Property, plant and equipment	2	473.25	460.45
(b)	Capital work-in-progress	2	28.57	18.39
(c)	Right of use assets	3	8.96	8.06
(d)	Goodwill	4	4.63	4.63
(e)	Other intangible assets	5	2.72	4.18
(f)	Financial assets			
(i)	Investments	6	1.46	1.46
(ii)	Other financial assets	7	17.60	46.62
(g)	Deferred tax asset (net)	21	4.82	-
(h)	Income tax assets (net)	8	17.03	16.45
(i)	Other non-current assets	9	25.95	26.51
	<b>Total non-current assets</b>		<b>584.99</b>	<b>586.75</b>
	<b>Current assets</b>			
(a)	Inventories	10	254.19	210.94
(b)	Financial assets			
(i)	Trade receivables	11	419.61	355.11
(ii)	Cash and cash equivalents	12	28.48	12.29
(iii)	Bank balances other than (ii) above	13	0.09	0.13
(iv)	Loans	14	0.38	0.71
(v)	Other financial assets	7	14.60	7.13
(c)	Other current assets	9	46.58	56.81
	<b>Total current assets</b>		<b>763.93</b>	<b>643.12</b>
	<b>TOTAL ASSETS</b>		<b>1,348.92</b>	<b>1,229.87</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
(a)	Equity share capital	15	16.27	16.27
(b)	Other equity	16	225.38	211.87
	<b>Total Equity</b>		<b>241.65</b>	<b>228.14</b>
	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	17A	244.38	234.49
(ii)	Lease liabilities	39	7.82	7.11
(b)	Provisions	18	18.39	20.27
(c)	Deferred tax liability (net)	21	-	1.93
(d)	Other non-current liabilities	19	11.07	13.19
	<b>Total non-current liabilities</b>		<b>281.66</b>	<b>276.99</b>
	<b>Current liabilities</b>			
(a)	Financial liabilities			
(i)	Borrowings	17B	413.74	341.51
(ii)	Lease liabilities	39	2.12	1.65
(iii)	Trade payables	22	-	-
(a)	Total outstanding dues of micro enterprises and small enterprises		2.52	2.18
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		344.61	317.17
(iv)	Other financial liabilities	20	41.89	40.27
(b)	Other current liabilities	19	12.67	16.89
(c)	Provisions	18	8.06	5.07
	<b>Total current liabilities</b>		<b>825.61</b>	<b>724.74</b>
	<b>Total liabilities</b>		<b>1,107.27</b>	<b>1,001.73</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,348.92</b>	<b>1,229.87</b>
	Significant accounting policies	1		

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report of even date attached

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

Chartered Accountants

Firm's registration no. 101248W/W-100022

**S Sethuraman**

Partner

Membership no: 203491

Chennai

May 05, 2023

**Gowri Kailasam**

Manager

Chennai

May 05, 2023

For and on behalf of the Board of Directors

**Ganesh Lakshminarayan**

Chairman

DIN:00012583

**Harish Lakshman**

Vice Chairman

DIN:00012602

**B Gnanasambandam**

Chief Financial Officer

**S Subha Shree**

Company Secretary



# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED MARCH 31, 2023

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

S.No	Particulars	Note No.	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenues from operations	23	2,354.44	1,741.92
II	Other income	24	17.86	5.72
III	<b>Total income (I+II)</b>		<b>2,372.30</b>	<b>1,747.64</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	25	1,497.98	1,132.09
	Changes in inventories of finished goods and work-in-progress	26	(11.19)	(41.73)
	Employee benefits expense	27	289.63	261.79
	Finance costs	28	33.64	19.64
	Depreciation and amortisation expense	29	96.60	81.01
	Other expenses	30	395.52	316.02
	<b>Total expenses (IV)</b>		<b>2,302.18</b>	<b>1,768.82</b>
V	<b>Profit/(Loss) before exceptional Items (III-IV)</b>		<b>70.12</b>	<b>(21.18)</b>
VI	<b>Exceptional items</b>	2 & 32	11.66	(46.71)
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>58.46</b>	<b>25.53</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax	31	34.76	14.72
	(2) Deferred tax	31	(6.32)	0.15
			<b>28.44</b>	<b>14.87</b>
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>30.02</b>	<b>10.66</b>
	<b>Other comprehensive income/(loss)</b>			
A.	Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit liability/(asset)		0.89	0.55
	Income tax relating to items that will not be reclassified to statement of profit and loss		0.44	(0.01)
			<b>1.33</b>	<b>0.54</b>
B.	Items that will be reclassified to statement of profit and loss			
	Exchange differences on translation of foreign operations		(17.84)	6.97
	Effective portion of gains and loss on hedging instruments in a cash flow hedge		-	(1.93)
	Income tax relating to items that will be reclassified to statement of profit and loss		-	-
			<b>(17.84)</b>	<b>5.04</b>
X	<b>Total other comprehensive income/(loss) (A+B)</b>		<b>(16.51)</b>	<b>5.58</b>
XI	<b>Total comprehensive income/(loss) for the year (IX+X)</b>		<b>13.51</b>	<b>16.24</b>
XII	<b>Earnings Per Equity Share (Nominal value per share Rs.10)</b>			
	(a) Basic (In Rs.)	37	18.46	6.97
	(b) Diluted (In Rs.)	37	18.46	6.97
	Significant accounting policies	1		

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report of even date attached

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

Chartered Accountants

Firm's registration no. 101248W/W-100022

**S Sethuraman**

Partner

Membership no: 203491

Chennai

May 05, 2023

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 05, 2023

# CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
Profit/(Loss) for the year	30.02	10.66
Adjustments for :		
Finance costs	33.64	20.57
Interest income	(0.37)	(0.45)
Net gain on disposal of property, plant and equipment	(0.15)	(0.17)
Government grant income	(1.30)	(21.64)
Unrealised exchange (gain)/loss	(14.33)	3.97
Impairment loss on financial assets	1.06	1.38
Impairment of property, plant and equipment	9.05	-
Depreciation and amortisation of non-current assets	96.60	81.01
Income tax expense	28.44	14.87
	<b>182.66</b>	<b>110.20</b>
Movements in working capital :		
(Increase) / decrease in trade receivables	(62.23)	(83.08)
(Increase) / decrease in inventories	(41.55)	(48.15)
(Increase) / decrease in other current/non current financial assets	20.68	11.07
(Increase) / decrease in other current / non current assets	(3.07)	(20.06)
(Increase) / decrease in loans receivable	0.35	(0.32)
Increase / (decrease) in trade payables	25.55	27.51
Increase / (decrease) in long term provisions	(0.45)	0.30
Increase / (decrease) in short term provisions	1.27	(5.56)
Increase / (decrease) in other current / non current financial liabilities	1.33	10.15
Increase / (decrease) in other non current liabilities	(2.33)	1.45
Increase / (decrease) in other current liabilities	0.77	5.40
Cash generated from operations	<b>122.98</b>	<b>8.91</b>
Income tax paid	(35.34)	(14.56)
Net cash (used in) / generated by operating activities	<b>87.64</b>	<b>(5.65)</b>
<b>B. Cash flow from investing activities</b>		
Interest received	1.35	0.41
Investments in unquoted equity shares	-	(0.86)
Purchase consideration for acquisition of business (Refer Note: 42)	-	(23.19)
Payments for property, plant and equipment	(108.32)	(100.34)
Proceeds from disposal of property, plant and equipment	0.90	0.29
Bank Balances not considered as cash and cash equivalents	0.04	0.02
Net cash (used in) / generated by investing activities	<b>(106.03)</b>	<b>(123.67)</b>

# CASH FLOW STATEMENT

## FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	1.70
Proceeds from share premium on equity shares	-	28.30
Proceeds from long term borrowings	90.00	170.61
Repayment of long term borrowings	(69.27)	(65.39)
Proceeds from short term borrowings	1,105.73	1,058.54
Repayment of short term borrowings	(1,056.39)	(1,032.32)
Interest paid	(32.40)	(25.09)
Payment of lease liabilities	(2.55)	(2.04)
<b>Net cash (used in)/ generated by financing activities</b>	<b>35.12</b>	<b>134.31</b>
<b>Net increase in cash and cash equivalents</b>	<b>16.73</b>	<b>4.99</b>
Cash and cash equivalents at the beginning of the year (Refer note 12)	10.29	5.30
<b>Cash and Cash equivalents at the end of the year (Refer note 12)</b>	<b>27.02</b>	<b>10.29</b>
Significant accounting policies	1	

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report of even date attached  
**For B S R & Co. LLP**  
 Chartered Accountants  
 Firm's registration no. 101248W/W-100022

**S Sethuraman**  
 Partner  
 Membership no: 203491  
 Chennai  
 May 05, 2023

**Gowri Kailasam**  
 Manager

Chennai  
 May 05, 2023

For and on behalf of the Board of Directors  
**Ganesh Lakshminarayan**  
 Chairman  
 DIN:00012583

**B Gnanasambandam**  
 Chief Financial Officer

Chennai  
 May 05, 2023

**Harish Lakshman**  
 Vice Chairman  
 DIN:00012602

**S Subha Shree**  
 Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED MARCH 31, 2023

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

### A. Equity share capital

Description	Amount
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	1.70
As at March 31, 2022	16.27
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	16.27
Changes in Equity Share Capital	-
As at March 31, 2023	16.27

### B. Other equity

Description	Reserves 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 difference on translation of foreign operation	Effective portion of cash flow hedges	Total items of OCI		
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 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
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 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)	(166.01)	220.23	(8.36)	-	(8.36)	-	211.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(166.01)	220.23	(8.36)	-	(8.36)	-	211.87
Profit/(loss) for the year	-	-	-	-	30.02	30.02	-	-	-	-	30.02
Other comprehensive income/(loss) for the year	-	-	-	-	0.89	0.89	(17.84)	-	(17.84)	-	(16.95)
Income tax on OCI Items	-	-	-	-	0.44	0.44	-	-	-	-	0.44
Total comprehensive income for the year	185.89	187.82	12.73	(0.20)	(134.66)	251.58	(26.20)	-	(26.20)	-	225.38
Balance as at March 31, 2023	185.89	187.82	12.73	(0.20)	(134.66)	251.58	(26.20)	-	(26.20)	-	225.38

Significant accounting policies

1

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report of even date attached

For B S R &amp; Co. LLP

Chartered Accountants

Firm's registration no. 101248W/W-100022

S Sethuraman

Partner

Membership no: 203491

Chennai

May 05, 2023

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 05, 2023

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 "Holding Company" or "Company") is a public limited group incorporated under the provisions of the Companies Act, 1956, in India with its registered office in Chennai, Tamilnadu, India. The Holding Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group') for the year ended 31 March 2023. The group is engaged in manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The group 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 group including its subsidiaries have eight manufacturing facilities, seven in India at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana and one in USA at Kentucky.

The group 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 group ('RMIH' / 'WOS') formed to hold strategic overseas investments of the group.

#### 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.

#### 1.1 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.

#### 1.2 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
Defined benefit liability / plan assets	Fair Value of plan assets less the present value of the defined benefit obligation / plan assets

The Group classifies an asset as current asset when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when –

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Group's normal operating cycle is twelve months.

#### Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Holding Company's functional currency. All amounts have been rounded to the nearest Crores, unless otherwise indicated.

#### Use of judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### Key accounting estimates, assumptions and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

- (a) Measurement of defined benefit obligations – Note 36
- (b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 18 and 40
- (c) Recognition of deferred tax assets/liabilities – Note 21
- (d) Key assumptions used in discounted cash flow projections – Note 2
- (e) Impairment of Intangible assets – Note 4
- (f) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes 3 and 39

### Basis of consolidation

#### Business Combination

In accordance with Ind AS 103, the group 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.

### 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.

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date. 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 :

### 1.3 Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Items of property, plant and equipment (including capital-work-in progress) are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Freehold land is carried at historical cost less any accumulated impairment losses.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or 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 and the cost of the item can be measured reliably.

### 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	1-15 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 of the asset and is recognised in the statement of profit and loss.

### 1.4 Impairment of non-financial assets

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 that are expected to benefit from the synergies of the combination.

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.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 1.5 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 Contracts	4 years

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

### 1.6 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.

### 1.7 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.

#### As a Lessee

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.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

From 1 April 2021, where the basis for determining future lease payments changed as required by interest

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

rate benchmark reform, the group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

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.

### Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

### 1.8 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.

### 1.9 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.

#### 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 Group are segregated based on the available information.

### 1.10 Foreign currency transactions and translations

#### (i) Transactions and balances

In preparing the Consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. 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.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### (ii) 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 group, 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 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 Group expects to receive in exchange for those products or services. Revenue is reduced for estimated discounts and other similar allowances.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the Group recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The Group recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on

the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The refund liability is included in other current liabilities (see Note 19) and the right to recover returned goods is included in inventory (see Note 10).

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 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 contribution to provident fund and National



# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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 plan includes gratuity 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 obligations 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'). To calculate the present value of economic benefits, consideration is given to any applicable 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 immediately 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 determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, 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.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on

curtailment is recognised immediately in profit or loss. The group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

### (iv) Other Long term employee benefits

#### Compensated Absence

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value. The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

### 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.

### 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. Expected future operating losses are not provided for.

Where the group expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset.

The amount recognised as a provision is the best estimate of the consideration required to settle the present

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets

and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences 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 transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.



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

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

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 – Business model assessment

The group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

#### 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.

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

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

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### 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.

#### Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

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- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

### 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.

#### Impairment of financial instruments

The group recognises loss allowances for expected credit losses on contract assets measured at amortised cost and contract assets.

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit

losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

#### 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). Expected credit losses are discounted at the effective interest rate of the financial asset.

#### 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 when the group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the group has a policy of writing off the gross carrying amount when the financial asset is

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180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The group expects no significant recovery from the amount written 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).

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.

Further information about the assumptions made in measuring fair values is included in note 33 on financial instruments

### 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 (considered in determination of basic earnings per share) after considering the effect of interest and other financing costs or income (net of attributable taxes) associated with dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share adjusted for the weighted average number of equity shares that would have been issued upon conversion of all dilutive potential equity shares.

### 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 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

#### Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of

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primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

### Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

### Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Carrying amounts of:</b>		
Freehold land	26.07	26.07
Lease hold improvements	5.09	4.13
Buildings	84.03	76.01
Plant and equipment	353.86	350.20
Furniture and fixtures	0.74	1.05
Office equipment	3.29	2.73
Vehicles	0.17	0.26
<b>Sub total</b>	<b>473.25</b>	<b>460.45</b>
Capital work-in-progress	28.57	18.39
<b>Total</b>	<b>501.82</b>	<b>478.84</b>

#### Cost

Particulars	Freehold land	Lease hold land Improvement	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Balance as at April 1, 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
<b>Balance as at March 31, 2022</b>	<b>26.07</b>	<b>5.88</b>	<b>96.58</b>	<b>689.93</b>	<b>4.61</b>	<b>16.44</b>	<b>0.93</b>	<b>840.44</b>
Additions	-	1.11	12.32	90.05	0.05	2.15	-	105.68
Disposals	-	-	-	(0.74)	-	-	(0.13)	(0.87)
Effect of foreign currency exchange differences	-	0.52	-	15.15	-	0.25	-	15.92
<b>Balance as at March 31, 2023</b>	<b>26.07</b>	<b>7.51</b>	<b>108.90</b>	<b>794.39</b>	<b>4.66</b>	<b>18.84</b>	<b>0.80</b>	<b>961.17</b>

#### 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, 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
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>1.75</b>	<b>20.57</b>	<b>339.73</b>	<b>3.56</b>	<b>13.70</b>	<b>0.68</b>	<b>379.99</b>
Disposals	-	-	-	-	-	-	(0.12)	(0.12)
Depreciation expense	-	0.51	4.30	84.74	0.36	1.64	0.07	91.62
Effect of foreign currency exchange differences	-	0.16	-	7.01	-	0.21	-	7.38
Impairment loss recognised in profit or loss	-	-	-	9.05	-	-	-	9.05
<b>Balance as at March 31, 2023</b>	<b>-</b>	<b>2.42</b>	<b>24.87</b>	<b>440.53</b>	<b>3.92</b>	<b>15.55</b>	<b>0.63</b>	<b>487.92</b>
Carrying amount as at March 31, 2022	26.07	4.13	76.01	350.20	1.05	2.74	0.25	460.45
Carrying amount as at March 31, 2023	26.07	5.09	84.03	353.86	0.74	3.29	0.17	473.25

#### Notes:

- 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 (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.



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#### Capital work in progress

Movement in capital work in progress is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
As at the beginning of the year	18.39	31.14
Additions / (Capitalisations)	10.18	(12.75)
As at the end of the year	28.57	18.39

#### 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	
<b>As at March 31, 2023</b>					
Projects in progress	25.71	2.86	-	-	28.57
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>25.71</b>	<b>2.86</b>	<b>-</b>	<b>-</b>	<b>28.57</b>
<b>As at March 31, 2022</b>					
Projects in progress	17.71	0.04	0.64	-	18.39
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>17.71</b>	<b>0.04</b>	<b>0.64</b>	<b>-</b>	<b>18.39</b>

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 :

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2023</b>					
Projects in progress					
Capacity enhancement project	3.20	-	-	-	3.20
Integration project	3.55	-	-	-	3.55
Others	0.70	-	-	-	0.70
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>7.45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.45</b>
<b>As at March 31, 2022</b>					
Projects in progress		-	-	-	-
Capacity enhancement project	5.55	-	-	-	5.55
Others	0.55	-	-	-	0.55
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>6.10</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6.10</b>

#### Impairment assessment

As at March 31, 2023, on account of changes in market conditions and rising cost of capital, the Group has assessed the recoverable amount (higher of value in use and fair value less cost of disposal) of the net assets of Rane Light Metal Castings Inc, ('LMCA') the step-down subsidiary of the holding Company which represents a single cash generating unit (CGU). Based on such assessment, the Group has recorded an impairment charge of Rs. 9.05 Crores as an exceptional item in its consolidated financial statements during the year ended March 31, 2023. In order to carry out the above assessment,

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Group has considered projections of future cash flows of the entity based on the most recent long-term forecasts, including selling price / related volumes and fair market value of property, plant and equipment, as applicable.

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.

In percent	As at March 31, 2023	As at March 31, 2022
Discount rate	12.00% to 15.50%	8.20% to 9.20%
Terminal value growth rate	2.50%	2.50%
Revenue growth rate	12.20%	15.38%

### Sensitivity analysis:

For the impairment of assets, 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
<b>March 31, 2022</b>		
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
<b>March 31, 2023</b>		
Annual revenue growth rate (1% movement)	4.39	(2.99)
Terminal value growth rate (1% movement)	0.62	(0.62)
Risk adjusted discount rate (1% movement)	(0.88)	0.88

### 3 Right of use assets

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Right of use assets	8.96	8.06
	8.96	8.06

Particulars	Land	Buildings	Vehicles	Plant and Machinery	Office equipment	Others	Total
<b>Cost</b>							
Balance as at April 1, 2021	5.36	1.84	0.88	2.02	1.52	0.18	11.80
Additions	-	0.13	-	0.41	-	-	0.54
Derecognition	-	(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
Additions	-	0.38	-	2.54	-	-	2.92
Derecognition	-	(1.27)	-	-	(0.54)	-	(1.81)
Effect of foreign currency exchange differences	-	-	-	0.27	0.12	-	0.39
Balance as at March 31, 2023	5.36	0.39	0.88	5.29	1.14	0.18	13.24

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### Accumulated depreciation

Particulars	Land	Buildings	Vehicles	Plant and Machinery	Office equipment	Others	Total
Balance as at April 1, 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
Transfer from Property, Plant and Equipment	-	-	-	-	-	-	-
Derecognition	-	(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
Depreciation expense	0.20	0.55	0.13	0.85	0.40	0.02	2.15
Derecognition	-	(1.19)	-	-	(0.55)	-	(1.74)
Effect of foreign currency exchange differences	-	-	-	0.10	0.09	-	0.19
Balance as at March 31, 2023	0.69	0.02	0.75	1.87	0.86	0.10	4.29
Carrying amount as at March 31, 2022	4.87	0.62	0.26	1.56	0.64	0.10	8.05
Carrying amount as at March 31, 2023	4.67	0.37	0.13	3.42	0.28	0.08	8.95

#### 4 Goodwill

Particulars	As at March 31, 2023	As at March 31, 2022
Cost	4.63	4.63
Accumulated impairment losses	-	-
Total	4.63	4.63

Particulars	Goodwill
Cost	
Balance as at April 1, 2021	4.06
Acquisition through business combination (Refer Note 42)	0.57
Additions	-
Impairment loss	-
Balance as at March 31, 2022	4.63
Additions	-
Impairment loss	-
Balance as at March 31, 2023	4.63
Carrying amount as at March 31, 2022	4.63
Carrying amount as at March 31, 2023	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 Rane Light Metal Casting Inc., United States of America.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Goodwill relates to the following cash generating units

CGU	As at March 31, 2023	As at March 31, 2022
Light Metal Casting India (LMCI)	4.48	4.06
Others	0.15	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, 2023	As at March 31, 2022
Post tax discount rate	16.83%	9.77%
Terminal value growth rate	7.00%	3.00%
Budgeted average EBITDA growth rate	34.18%	54.16%

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.

The discount rate was a post-tax measure estimated based on the weighted-average cost of capital, with a possible debt leveraging of 50% at a risk free rate of 7%.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately INR 112.04 Crores (March 31, 2022: INR 263.36 Crores). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

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.

Impairment testing for CGUs containing goodwill	Change required for carrying amount to equal recoverable amount	
Particulars	As at March 31, 2023	As at March 31, 2022
Pre tax discount rate	18.12%	12.67%
Budgeted average EBITDA growth rate	31.60%	44.93%

## 5 Other Intangible Assets

Particulars	As at March 31, 2023	As at March 31, 2022
Carrying amounts of:		
Software Licence	1.75	0.89
Customer Contracts	0.97	3.29
<b>Total</b>	<b>2.72</b>	<b>4.18</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Software Licence	Customer Contracts	Total
<b>Cost</b>			
Balance as at April 1, 2021	3.81	-	3.81
Additions	0.95	3.67	4.62
Disposals	-	-	-
Balance as at March 31, 2022	4.76	3.67	8.43
Additions	1.37	-	1.37
Disposals	-	-	-
Balance as at March 31, 2023	6.13	3.67	9.80
<b>Accumulated amortisation</b>			
Balance as at April 1, 2021	3.53	-	3.53
Amortisation	0.34	0.38	0.72
Balance as at March 31, 2022	3.87	0.38	4.25
Amortisation	0.51	2.32	2.83
Balance as at March 31, 2023	4.38	2.70	7.08
Carrying amount as at March 31, 2022	0.89	3.29	4.18
Carrying amount as at March 31, 2023	1.75	0.97	2.72

#### 6 Investments

Particulars	As at March 31, 2023	As at March 31, 2022
Investments in equity instruments (fully paid-up) (Unquoted) at Amortised cost		
Capsol Energy Private Limited		
(6,00,000 number of equity shares @ Rs. 10 each)	0.60	0.60
Shree MTK Textiles Private limited		
(2,700 number of equity shares @ Rs. 100 each)	0.86	0.86
<b>Total Non-Current Investments</b>	<b>1.46</b>	<b>1.46</b>
Aggregate carrying value of unquoted investments	1.46	1.46
Aggregate amount of impairment in value of investments	-	-

#### 7 Other financial assets

(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Security deposits	8.09	7.39	1.17	1.17
Claims receivable	-	-	0.39	1.41
Margin money deposits (Refer note below)	1.64	1.51	-	0.11
Interest receivable	-	-	0.34	1.32
Tooling related receivables	-	32.25	12.20	-
Derivative assets	7.87	5.47	-	2.56
Export entitlements	-	-	0.50	0.56
<b>Total</b>	<b>17.60</b>	<b>46.62</b>	<b>14.60</b>	<b>7.13</b>

#### Note:

Margin money with banks includes restricted cash deposits provided as collateral for bank guarantees and borrowings. The Group'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, 2023

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

**8 Income tax assets (net)**

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	16.45	16.61
Less: Current tax payable for the year	(34.76)	(14.72)
Add: Taxes paid	35.34	14.56
<b>Closing Balance</b>	<b>17.03</b>	<b>16.45</b>

**9 Other assets**

(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital advances	6.38	9.32	-	-
Advances paid to suppliers	-	-	10.86	18.89
Advances to employees	-	-	0.40	0.13
Balance with statutory authorities	-	-	22.18	20.57
Deposit with government authorities	6.80	6.40	-	-
Assets relating to employee benefits (Gratuity)	-	-	-	0.15
Export Entitlements(RODTEP)	-	-	0.86	4.65
Prepaid expenses	6.86	4.51	8.63	7.92
Others	5.91	6.28	3.65	4.50
<b>Total</b>	<b>25.95</b>	<b>26.51</b>	<b>46.58</b>	<b>56.81</b>

**10 Inventories**

(At lower of cost and net realisable value)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw materials (including Raw materials in-transit amounting to INR 2.80 Crores (March 31, 2022 - INR 2.60 Crores))	70.10	51.11
Work-in-progress	33.89	31.15
Finished goods	98.18	90.46
Stores and spares	44.26	31.19
Goods in transit (Finished Goods)	7.76	7.03
<b>Total</b>	<b>254.19</b>	<b>210.94</b>

The Group has provided for Provision for inventory of INR 2.55 Crores (March 31, 2022: INR 3.52 Crores) for the year ended March 31, 2023.

The mode of valuation of inventories has been stated in note 1.8.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 11 Trade Receivables

Particulars	As at March 31, 2023	As at March 31, 2022
<b>From Related parties</b>		
Trade Receivables Considered good - Unsecured	3.92	2.29
Trade receivable - Credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	-	-
<b>Sub Total</b>	<b>3.92</b>	<b>2.29</b>
<b>From Others</b>		
Trade Receivables Considered good - secured	-	-
Trade Receivables Considered good - unsecured	421.72	357.74
Receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	(6.03)	(4.92)
<b>Sub Total</b>	<b>415.69</b>	<b>352.82</b>
<b>Total</b>	<b>419.61</b>	<b>355.11</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	4.92	3.86
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	1.06	1.39
Foreign exchange adjustment	0.05	(0.33)
Bad debts written off/written back	-	-
<b>Balance at the end of the year</b>	<b>6.03</b>	<b>4.92</b>

#### As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Undisputed Trade receivables</b>							
(i) Considered good	372.39	51.08	1.01	0.61	0.14	0.41	425.64
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
<b>Disputed Trade receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-
<b>Total</b>	<b>372.39</b>	<b>51.08</b>	<b>1.01</b>	<b>0.61</b>	<b>0.14</b>	<b>0.41</b>	<b>425.64</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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	
<b>Undisputed Trade receivables</b>							
(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	-	-	-	-	-	-	-
<b>Disputed Trade receivables</b>							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	9.10
<b>Total</b>	<b>279.26</b>	<b>69.49</b>	<b>0.64</b>	<b>0.47</b>	<b>1.07</b>	<b>-</b>	<b>360.03</b>

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

The Group's exposure to credit and currency risks, loss allowances are disclosed in Note 33.

### 12 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks (including deposits with original maturity up to 3 months)		
(i) In Current account	21.35	10.41
(ii) In EEFC account	7.10	1.84
Cash on hand	0.03	0.04
<b>Total</b>	<b>28.48</b>	<b>12.29</b>

The Group'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, 2023	As at March 31, 2022
Cash and cash equivalents as above	28.48	12.29
Add: Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(1.46)	(0.54)
Bank overdraft availed for cash management purposes	-	(1.46)
<b>Total</b>	<b>27.02</b>	<b>10.29</b>

### 13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks in earmarked accounts		
In unclaimed dividend account	0.09	0.13
<b>Total</b>	<b>0.09</b>	<b>0.13</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 14 Loans

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Loans receivable considered good - Unsecured		
Loans to employees	0.38	0.71
<b>Total</b>	<b>0.38</b>	<b>0.71</b>

#### 15 Equity Share Capital

Particulars	As at March 31, 2023	As at March 31, 2022
<b>AUTHORISED :</b>		
Equity Shares:		
2,50,00,000 (March 31, 2022: 2,50,00,000) equity shares of Rs.10 each	25.00	25.00
Preference shares:		
1,05,00,000 (March 31, 2022: 1,05,00,000) preference shares of Rs.10 each	10.50	10.50
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,62,65,267 (March 31, 2022: 1,62,65,267) equity shares of Rs.10 each fully paid-up	16.27	16.27
	<b>16.27</b>	<b>16.27</b>

#### 15.1 Reconciliation of Shares Outstanding at the beginning and at the end of the reporting period

Particulars	March 31, 2023		March 31, 2022	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
<b>Equity Shares of Rs.10 each fully paid up</b>				
At the beginning of the year	1,62,65,267	16,26,52,670	1,45,65,309	14,56,53,090
Allotment of shares under preferential issue	-	-	16,99,958	1,69,99,580
<b>At the end of the year</b>	<b>1,62,65,267</b>	<b>16,26,52,670</b>	<b>1,62,65,267</b>	<b>16,26,52,670</b>

Rights, preferences and restrictions attached to Shares mentioned above :

The Company has one class of equity share having a par value of Rs.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 previous year represents fresh issue of equity shares to Rane Holdings Limited on Preferential allotment.

#### 15.2 Shares of the Company held by holding Company and/ or their subsidiaries/associates

Name of the Share holder	No of shares held as at			
	March 31, 2023		March 31, 2022	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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

Name of the Share holder	No of shares held as at			
	March 31, 2023		March 31, 2022	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

### 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.
- (d) The Company has not issued any stock options or warrants.

### 15.5 Shares held by promoters at the end of the year

Promoter Name	March 31, 2023		March 31, 2022		Change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of shares	% Change during the year
Rane Holdings Limited	1,16,72,774	71.77%	1,16,72,774	71.77%	-	0.00%
Shanthi Narayan	24,775	0.15%	24,775	0.15%	-	0.00%
Raman T G G	28,000	0.17%	28,000	0.17%	-	0.00%
Rathika R Sundaresan	20,000	0.12%	20,000	0.12%	-	0.00%
Chitra Sundaresan	12,604	0.08%	12,604	0.08%	-	0.00%
Geetha Raman Subramanyam	12,000	0.07%	12,000	0.07%	-	0.00%
Ranjini R Iyer	12,000	0.07%	12,000	0.07%	-	0.00%
Aditya Ganesh	8,483	0.05%	8,483	0.05%	-	0.00%
Aparna Ganesh	7,851	0.05%	7,851	0.05%	-	0.00%
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%
<b>Total promoter shareholding</b>	<b>1,18,15,955</b>		<b>1,18,15,955</b>		<b>-</b>	<b>0.00%</b>

\*Percentage rounded off

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 16 Other Equity

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	185.89	185.89
Securities Premium	187.82	187.82
Amalgamation adjustment account	(0.20)	(0.20)
Capital redemption reserve	12.73	12.73
Retained Earnings	(134.66)	(166.01)
Foreign Currency translation reserve	(26.20)	(8.36)
<b>Total</b>	<b>225.38</b>	<b>211.87</b>

Particulars	As at March 31, 2023	As at March 31, 2022
<b>General Reserve</b>		
Opening balance	185.89	185.89
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>185.89</b>	<b>185.89</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.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Securities Premium</b>		
Opening balance	187.82	149.51
Add: Addition during the year	-	38.31
<b>Closing balance</b>	<b>187.82</b>	<b>187.82</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Amalgamation Adjustment account</b>		
Opening balance	(0.20)	(0.20)
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>(0.20)</b>	<b>(0.20)</b>

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 business combinations made in the earlier years.

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Capital Redemption Reserve</b>		
Opening balance	12.73	12.73
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>12.73</b>	<b>12.73</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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, 2023	As at March 31, 2022
<b>Money Received against Share warrant</b>		
Opening balance	-	10.00
Add: Additions/(Deletions) during the year	-	(10.00)
<b>Closing balance</b>	-	-

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'.

During the year ended March 31, 2022, the Company has received Rs. 30 Crores from Rane Holdings Limited as warrant exercise price towards conversion of the outstanding 16,99,958 warrants issued on preferential basis (during FY 2020-21) and has allotted equivalent equity shares of Rs. 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 Rs.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
Opening balance	16,99,958	10.00
<b>Changes in share warrants during the year 2021-22</b>		
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)
<b>Closing balance</b>	-	-

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Retained Earnings</b>		
Balance at the beginning of the year	(166.01)	(177.21)
Profit/(Loss) attributable to equity shareholders of the company	30.02	10.66
Other comprehensive income/(Loss) arising from remeasurement of defined benefit obligation net of income tax	1.33	0.54
<b>Balance at the end of the year</b>	<b>(134.66)</b>	<b>(166.01)</b>

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 4.05 Crores as at March 31, 2023 (March 31, 2022: INR 3.51 Crores)

The board has not declared dividend for the year ended March 31, 2023 and March 31, 2022.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	As at March 31, 2023	As at March 31, 2022
Foreign Currency Translation reserve		
Balance at the beginning of the year	(8.36)	(15.33)
Add: Addition during the year	(17.84)	6.97
Balance at the end of the year	(26.20)	(8.36)

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.

#### 17A Non-current borrowings

Particulars	Non-Current		Current Maturities (Refer Note 17B)	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured - at amortised cost				
Term Loans				
- from banks	29.33	45.33	16.00	16.00
Sub Total	29.33	45.33	16.00	16.00
Secured - at amortised cost				
Term Loans				
- from banks	215.05	189.16	72.68	52.67
Sub Total	215.05	189.16	72.68	52.67
Total	244.38	234.49	88.68	68.67

#### Summary of borrowing arrangements

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2023 and 2022 are secured by a charge created on the Company's fixed assets both present and future (excluding immovable properties in Velachery and Mysuru).

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. 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, 2023

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

The terms of repayment of term loans are given below

As at March 31, 2023

**Secured**

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	5.27	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	35.27	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	31.21	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	35.42	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
EXIM Bank - INR Long Term Loan	90.00	Repayable in 16 equal quarterly Instalments commencing from October 2023 with 1 year of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	90.56	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period
<b>Total</b>	<b>287.73</b>	
<b>Unsecured</b>		
Axis Bank - INR Long Term Loan	45.33	Repayable in 48 equal monthly Instalments commencing from February 2022 with 1 year of moratorium period

The interest rate for INR loans range from 6.02% p.a to 9.21% p.a; The interest rate for USD loans range from LIBOR (6 months) + 230 bps p.a to LIBOR (6 months) + 375bps p.a.

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
<b>Total</b>	<b>241.83</b>	
<b>Unsecured</b>		
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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 17B Current Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured - at amortised cost		
Loans from banks	45.00	54.56
Secured - at amortised cost**		
Loans from banks	280.06	218.28
Current maturities of long-term debt	88.68	68.67
<b>Total</b>	<b>413.74</b>	<b>341.51</b>

The interest rate for INR loans range from 4.35% p.a to 8.25% p.a

\*\*Secured loans include cash credit, packing credit, Buyers credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2023 and 2022 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.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 33.

#### 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, 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 exchange rate differences	-	-	(0.02)
<b>Balance as at March 31, 2022</b>	<b>272.84</b>	<b>303.16</b>	<b>8.76</b>
Changes from financing cash flows			
Proceeds from long term borrowings	-	90.00	-
Repayment of long term borrowings	-	(69.27)	-
Proceeds from short term borrowings	1,105.73	-	-
Repayment of short term borrowings	(1,056.39)	-	-
Payment of lease liabilities	-	-	(2.55)
Other changes			
New leases	-	-	2.92
Others	3.02	9.17	-
Interest expense	32.26	-	1.38
Interest paid	(32.40)	-	-
Impact of foreign exchange rate differences	-	-	(0.57)
<b>Balance as at March 31, 2023</b>	<b>325.06</b>	<b>333.06</b>	<b>9.94</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for leave encashment	7.51	7.01	0.80	0.72
Provision for Gratuity (refer note 36)	-	-	0.89	-
Provision for Pension plan (refer note 36)	10.88	13.26	-	-
Provision for Warranty	-	-	6.37	4.35
<b>Total</b>	<b>18.39</b>	<b>20.27</b>	<b>8.06</b>	<b>5.07</b>

(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, 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
Charged/(credited) to profit or loss	3.16	7.49
Amounts utilised during the year	(2.58)	(5.47)
As at March 31, 2023	8.31	6.37

### 19 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Deferred income	1.86	1.64	0.54	0.93
Statutory dues	-	-	9.82	9.82
Tooling advance received from customers	9.21	11.55	0.86	6.14
Advances from Customers	-	-	1.45	-
<b>Total</b>	<b>11.07</b>	<b>13.19</b>	<b>12.67</b>	<b>16.89</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 20 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Security Deposits	1.08	1.10
Unclaimed dividends	0.09	0.13
Termination benefit under Voluntary Retirement Scheme	0.88	-
Payable to employees	15.18	16.02
Derivative Liability	2.28	-
Commission payable to Chairman	-	1.07
Payables on purchase of fixed assets	1.02	2.46
Others <sup>^</sup>	21.36	19.49
<b>Total</b>	<b>41.89</b>	<b>40.27</b>

<sup>^</sup> Comprises of dealer incentives and royalty payable amounting to INR 16.64 Crores and INR 3.64 Crores respectively as at March 31, 2023 and INR 13.77 Crores and INR 3.44 Crores respectively as at March 31, 2022.

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

#### 21 Deferred tax asset/(liability) (net)

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

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities(net)	4.82	(1.93)
<b>Total</b>	<b>4.82</b>	<b>(1.93)</b>

#### Movements in deferred tax assets/(liabilities)

Particulars	Provision for employee benefit expense	Depreciation	Others <sup>^</sup>	Total
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)
Charged/(Credited)				
- to profit & loss	0.35	4.00	1.97	6.32
- to other comprehensive income	0.44	-	-	0.44
As at March 31, 2023	4.10	(3.61)	4.34	4.82

<sup>^</sup> Includes deferred taxes in respect of provision for warranty, provision for bad and doubtful debts and provision for inventories.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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, 2023		As at March 31, 2022	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses	621.10	116.54	223.91	60.46

## 22 Trade Payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade payables - Micro enterprises and Small enterprises	2.52	2.18
Trade payables - Related Parties	15.53	7.20
Trade payables - Others	329.08	309.97
<b>Total</b>	<b>347.13</b>	<b>319.35</b>

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, 2023

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	
<b>Undisputed dues</b>							
(i) MSME	0.67	1.85	-	-	-	-	2.52
(ii) Others	22.38	290.72	1.00	1.51	0.57	0.19	316.37
<b>Disputed dues</b>							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	23.05	292.57	1.00	1.51	0.57	0.19	318.89
Unbilled							28.24
<b>Total</b>							<b>347.13</b>

### 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	
<b>Undisputed dues</b>							
(i) MSME	-	2.18	-	-	-	-	2.18
(ii) Others	102.60	154.11	1.66	1.58	1.08	2.30	263.33
<b>Disputed dues</b>							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	102.60	156.29	1.66	1.58	1.08	2.30	265.51
Unbilled	-	-	-	-	-	-	53.84
<b>Total</b>	-	-	-	-	-	-	<b>319.35</b>

The Group's exposure to currency and liquidity risk related to trade payables is disclosed in Note 33.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 22.1 Micro and Small Enterprises

Particulars	As at March 31, 2023	As at March 31, 2022
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	2.52	2.18
- 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
- Interest	-	0.01
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 Rs.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, 2023	Year ended March 31, 2022
Sales of Products	2,313.75	1,711.74
Other operating revenues		
- Scrap sales	30.15	21.85
- Job charges	0.20	0.05
- Export Entitlements	10.34	8.28
<b>Total</b>	<b>2,354.44</b>	<b>1,741.92</b>
Reconciliation of revenue from sale of products		
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Gross revenues	2,343.45	1,736.32
Less: Customer discounts	(29.70)	(24.58)
<b>Net revenues from sale of products</b>	<b>2,313.75</b>	<b>1,711.74</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 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.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue by Geography</b>		
India	1,642.12	1,212.71
USA	402.40	308.30
Rest of the world	269.23	190.73
<b>Total revenue from contracts with customers</b>	<b>2,313.75</b>	<b>1,711.74</b>
<b>Revenue by offerings</b>		
Manufactured goods		
Steering and Suspension Linkage Products, Steering Gear Products and Hydraulic Products	1,790.76	1,334.73
Diecasting products	445.79	310.45
Other Auto components	77.20	66.56
<b>Total revenue from contracts with customers</b>	<b>2,313.75</b>	<b>1,711.74</b>

### 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, 2023	Year ended March 31, 2022
Receivables, included under trade receivables	419.61	355.11
Contract liabilities included under advance from customers	1.45	-

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

### 24 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.29	0.38
-- On Supplier payments	0.08	0.08
Net gain on foreign currency transactions	14.19	-
Net gain on disposal of property, plant and equipment	0.15	0.17
Other non-operating income		
Government grant Income	1.30	4.15
Others	1.85	0.94
<b>Total</b>	<b>17.86</b>	<b>5.72</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 25 Cost of Materials consumed

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	51.11	41.10
Add: Purchases (Including inventory acquired through business combination of Rs. 3.06 Crores for the year ended March 31, 2022 (Refer Note 42))	1,417.30	1,067.10
Less: Closing stock	(70.10)	(51.11)
Raw materials and Components consumed	1,398.31	1,057.09
Freight inward	23.28	18.81
Job work expenses	76.39	56.19
<b>Total</b>	<b>1,497.98</b>	<b>1,132.09</b>

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Opening Stock:</b>		
Work-in-progress	31.15	24.67
Finished goods	97.49	62.24
<b>Closing Stock:</b>		
Work-in-progress	33.89	31.15
Finished goods	105.94	97.49
<b>Increase in inventories</b>	<b>(11.19)</b>	<b>(41.73)</b>

#### 27 Employee benefit expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, Wages and Bonus	249.54	219.56
Contribution to		
Provident and other Funds (Refer Note 36)	20.93	24.07
Superannuation Fund	0.56	0.56
National Pension Scheme	0.20	0.17
Savings plan (Refer Note 36A)	0.87	1.08
Pension plan (Refer Note 36A)	0.98	0.97
Gratuity Fund (Refer Note 36)	1.83	1.64
Staff Welfare Expenses	14.72	13.74
<b>Total</b>	<b>289.63</b>	<b>261.79</b>

#### 28 Finance Cost

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest costs on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	31.91	16.80
Other Borrowing costs	0.35	2.01
Interest on lease liabilities (Refer note 39)	1.38	0.83
<b>Total</b>	<b>33.64</b>	<b>19.64</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

**29 Depreciation and amortisation expense**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation on property, plant and equipment (Note 2)	91.62	78.49
Depreciation on right of use asset (Note 3)	2.15	1.80
Amortisation of intangible assets (Note 5)	2.83	0.72
<b>Total</b>	<b>96.60</b>	<b>81.01</b>

**30 Other Expenses**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Power and Fuel	67.93	51.13
Rent expense	4.48	2.48
Travelling and Conveyance	11.55	6.30
Repairs and Maintenance		
- Buildings	4.45	3.71
- Plant and Machinery	27.95	30.18
- Others	3.55	3.18
Insurance	12.75	10.89
Rates and Taxes	3.25	2.61
Auditors' Remuneration (Refer Note 30.1)	0.66	0.52
Directors' Sitting Fees	0.19	0.24
Professional Charges	19.07	15.18
Impairment loss / (write-back) on financial assets	1.06	1.39
Consumption of stores and spares	82.60	68.34
Packing materials consumed	56.33	49.35
Royalty and Technical Fees	1.49	0.39
Information Systems	10.13	6.71
Commission to Chairman	-	1.07
Freight Outward and Storage charges	59.05	38.66
Advertisement and Sales Promotion	2.26	1.08
Sales Commission	-	0.25
Product Warranty	7.49	5.27
Trade Mark fee	10.38	7.66
Printing and Stationery	1.35	1.25
Postage and Telecom expenses	1.16	1.02
Bank Charges	1.12	0.96
Corporate Social Responsibility Expenditure (Refer note 30.2)	0.58	0.72
Net loss/(gain) on foreign currency transactions	-	1.06
Miscellaneous Expenses	4.69	4.42
<b>Total</b>	<b>395.52</b>	<b>316.02</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 30.1 Included in other expenses are the below:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>30.1. Payment to auditors of holding company</b>		
a) For audit	0.19	0.19
b) For taxation matters	0.01	0.01
c) For limited review	0.10	0.10
d) For certifications	0.04	0.03
e) For reimbursement of expenses	0.05	0.01
	<b>0.39</b>	<b>0.34</b>

#### 30.2 Expenditure incurred for Corporate social responsibility:

The above expenditure includes contribution to Rane Foundations of INR 0.47 Crores (March 31, 2022: 0.56 Crores), over which the Company has significant influence (also refer note 35)

#### 31 Tax Expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income taxes</b>		
Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	34.76	14.72
	<b>34.76</b>	<b>14.72</b>
<b>Deferred tax</b>		
In respect of current year	(6.32)	0.15
	<b>(6.32)</b>	<b>0.15</b>
<b>Total income tax expense recognised in profit or loss</b>	<b>28.44</b>	<b>14.87</b>
Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Income taxes</b>		
Income tax recognised in other comprehensive income		
<b>Deferred tax</b>		
In respect of current year	(0.44)	0.01
<b>Total income tax expense /(gain) recognised in other comprehensive income</b>	<b>(0.44)</b>	<b>0.01</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>Profit/(Loss) before tax</b>	<b>58.46</b>	<b>25.53</b>
Tax using the Company's domestic tax rate	14.71	6.43
Differences in tax rates in foreign jurisdictions and impact of unrecognised deferred tax assets	16.80	6.53
Non deductible expense	(3.01)	1.81
Tax exempt income	-	(0.55)
Deductions under Chapter VI A	(0.06)	(0.09)
Impact of change in tax rates & effects of taxes relating to earlier years	-	0.74
<b>Income Tax expense recognised in profit or loss</b>	<b>28.44</b>	<b>14.87</b>

The tax rate used for the 2022-23 and 2021-22 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.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 32 Exceptional Item

Exceptional item includes Rs. 2.61 Crores expenditure incurred towards Voluntary Retirement Scheme and impairment of property, plant and equipment (refer note 2) amounting to Rs.9.05 Crores during the year ended March 31, 2023.

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 Company.

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.

The table below summarises the net debt to equity ratio of the Group.

Particulars	As at March 31, 2023	As at March 31, 2022
Debt *	658.12	576.00
Cash and bank balances	28.57	12.42
Net debt	629.55	563.58
Total Equity**	241.65	228.14
Net debt to equity ratio	2.61	2.47

\*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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### Financial Instrument by Category

Particulars	As at March 31, 2023			As at March 31, 2022		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
<b>Financial Assets</b>						
Loans	-	-	0.38	-	-	0.71
Investments	-	-	1.46	-	-	1.46
Trade Receivables	-	-	419.61	-	-	355.11
Cash and cash equivalents	-	-	28.48	-	-	12.29
Bank balances other than above	-	-	0.09	-	-	0.13
Other Financial assets	-	-	24.33	-	-	45.72
Fair value Derivative Hedging receivable	7.87	-	-	8.03	-	-
<b>Total Financial Assets</b>	<b>7.87</b>	<b>-</b>	<b>474.35</b>	<b>8.03</b>	<b>-</b>	<b>415.42</b>
<b>Financial Liabilities</b>						
Borrowings	-	-	658.12	-	-	576.00
Trade Payables	-	-	347.13	-	-	319.35
Lease Liabilities	-	-	9.94	-	-	8.76
Other financial liabilities	-	-	39.61	-	-	40.27
Derivative Liability	2.28	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>2.28</b>	<b>-</b>	<b>1,054.80</b>	<b>-</b>	<b>-</b>	<b>944.38</b>

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, 2023	As at March 31, 2022	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
<b>Financial assets</b>				
Derivative assets	7.87	8.03	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
<b>Total</b>	<b>7.87</b>	<b>8.03</b>		
<b>Financial liabilities</b>				
Derivative liabilities	2.28	-	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
<b>Total</b>	<b>2.28</b>	<b>-</b>		

**Note:** Fair value information relating to investment in equity securities are not presented as these are not material to the financial statements.

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

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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 its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the Group are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Group and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

#### (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, 2023		As at March 31, 2022	
	In Rs. (Crores)	In Foreign Currency (Crores)	In Rs. (Crores)	In Foreign Currency (Crores)
	Receivable/(Payable)	Receivable/(Payable)	Receivable/(Payable)	Receivable/(Payable)
<b>Financial Assets</b>				
<b>USD</b>				
Trade Receivable	114.37	1.39	99.33	1.31
Bank balances	6.72	0.08	1.77	0.02
<b>EUR</b>				
Trade Receivable	22.20	0.25	12.70	0.15
Bank balances	0.37	0.00	0.08	0.00
<b>Sub Total</b>	<b>143.66</b>		<b>113.88</b>	
<b>Financial Liabilities</b>				
<b>USD</b>				
Loans	-	-	(62.47)	(0.83)
Trade Payable	(5.62)	(0.07)	(4.05)	(0.05)

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	In Rs. (Crores)	In Foreign Currency (Crores)	In Rs. (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
<b>EUR</b>				
Loans from banks	-	-	(12.25)	(0.15)
Trade Payable	(0.73)	(0.01)	(0.43)	(0.01)
Capital creditors	(0.07)	(0.00)	-	-
<b>SGD</b>				
Trade Payable	-	-	(0.07)	-
<b>GBP</b>				
Trade Payable	(0.01)	(0.00)	-	-
<b>JPY</b>				
Trade Payable	(0.10)	(0.02)	-	-
<b>Sub Total</b>	<b>(6.53)</b>		<b>(79.27)</b>	
<b>Net Balance</b>	<b>137.13</b>		<b>34.61</b>	

Note: The above disclosure is based on the foreign currency exposure determined on the basis of the functional currency of the respective entities included in the Group

#### 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 JPY impact	
	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>Impact on profit or loss for the year</b>						
- Increase by 5%	5.77	(1.76)	1.09	8.49	(0.01)	-
- Decrease by 5%	(5.77)	1.76	(1.09)	(8.49)	0.01	-

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, 2023

(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, 2023		As at March 31, 2022	
	Foreign currency (In Crores)	In Rs. (In Crores)	Foreign currency In Crores	In Rs. (In Crores)
Derivatives designated as cash flow hedges				
<b>Forward Contracts</b>				
In USD	1.45	118.27	1.96	154.96
In Euro	0.28	24.86	0.17	14.66
<b>Total</b>		<b>143.13</b>		<b>169.62</b>

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

Particulars	As at March 31, 2023	As at March 31, 2022
Not later than 1 month	25.20	1.52
Later than 1 month but not later than 3 months	49.76	44.25
Later than 3 month up to 6 months	68.17	33.05
Later than 6 months but not later than 1 year	-	42.77
Later than 1 year	-	48.03
<b>Total</b>	<b>143.13</b>	<b>169.62</b>

As at March 31, 2023, the Group 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, 2023	As at March 31, 2022
Balance at the beginning of the year	-	1.93
Gain/loss recognised in other comprehensive income during the period	-	(1.93)
Tax impact on above	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

### 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.

### Exposure to interest rate risk

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
Impact of interest rate swaps	89.50	92.38
	<b>89.50</b>	<b>92.38</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### Variable rate instruments

Financial assets	-	-
Financial liabilities	658.12	576.00
Impact of interest rate swaps	(89.50)	(92.38)
	568.62	483.62

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on Profit/(Loss)	
	Increase	Decrease
<b>March 31, 2023</b>		
Variable rate instruments	5.69	(5.69)
<b>March 31, 2022</b>		
Variable rate instruments	4.84	(4.84)

#### (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, 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.

Particulars	Net carrying amount	
	As at March 31, 2023	As at March 31, 2022
India	272.40	217.88
USA	88.78	94.72
Europe	20.20	16.85
Rest of the world	44.27	30.58

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

#### As at March 31, 2023

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.21%	372.39	0.78	No
1-30 days past due	1.19%	28.49	0.34	No
31-60 days past due	4.83%	3.52	0.17	No
61-90 days past due	6.94%	6.20	0.43	No
More than 90 days past due	28.66%	15.04	4.31	No

#### As at March 31, 2022

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.16%	279.26	0.46	No
1-30 days past due	1.23%	22.76	0.28	No
31-60 days past due	1.73%	10.42	0.18	No
61-90 days past due	5.97%	2.35	0.14	No
More than 90 days past due	8.53%	45.25	3.86	No

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 INR 0.90 Crores (March 31, 2022: Nil) for investments, loans 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 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

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, 2023

Particulars	Less than 1 year	1-5 year	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	417.79	276.41	-	694.20	658.12
Trade Payables	347.13	-	-	347.13	347.13
Lease liability	2.15	4.64	10.74	17.53	9.94
Other Financial liabilities	39.61	-	-	39.61	39.61
	806.68	281.05	10.74	1,098.47	1,054.80

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
	725.24	246.06	20.02	991.32	944.38

The Holding Company exceeded the threshold on certain covenants regarding financial ratios as at March 31, 2023. The Holding Company is in the process of and believes that it would obtain necessary waivers / extension from the bankers and /or cure the breach within the permitted time periods and there is no event of default in this regard.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 contracts with customers by location of operations and information about its non current assets\*\* by location of operations are detailed below.

Particulars	Revenue from contract with customers		Non - current assets**	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
India	1,642.12	1,206.28	423.13	399.62
USA	402.40	314.73	120.95	122.60
Rest of the world	269.23	190.73	-	-
<b>Total</b>	<b>2,313.75</b>	<b>1,711.74</b>	<b>544.08</b>	<b>522.22</b>

The geographical information considered for disclosure are – India, United States of America 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 Rs. 690.82 Crores (March 31, 2022- Rs. 530.29 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 during the year	
(b) Key Management Personnel	
	L Ganesh, Chairman
	Harish Lakshman, Vice Chairman
	Gowri Kailasam - Manager & President
(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 (RT4U)
(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 (RMESPF)

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 have taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Transaction during the year																
Sales																
Sales-ZRAI	-	-	-	-	-	-	-	-	-	-	13.27	13.19	-	-	13.27	13.19
Sales-RNSS	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-
Other Income																
Testing charges - ZRAI	-	-	-	-	-	-	-	-	-	-	-	0.12	-	-	-	0.12
Purchases																
Purchases RBL	-	-	-	-	-	-	-	-	2.31	2.70	-	-	-	-	2.31	2.70
Purchases REVL	-	-	-	-	-	-	-	-	2.04	2.36	-	-	-	-	2.04	2.36
Purchases-ZRAI	-	-	-	-	-	-	-	-	-	-	2.05	1.97	-	-	2.05	1.97
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	33.44	30.82	-	-	33.44	30.82
Purchase of Machinery-ZRAI	-	-	-	-	-	-	-	-	-	-	-	1.00	-	-	-	1.00
Purchase of PPE kits, masks-ZRAI	-	-	-	-	-	-	-	-	-	-	0.01	0.05	-	-	0.01	0.05
Expenses																
Professional Charges	8.24	4.39	-	-	-	-	-	-	-	-	-	-	-	-	8.24	4.39
Software Expenses	5.17	4.14	-	-	-	-	-	-	-	-	-	-	-	-	5.17	4.14
Training Expenses	0.65	0.46	-	-	-	-	-	-	-	-	-	-	-	-	0.65	0.46
Trademark Fee	10.37	7.66	-	-	-	-	-	-	-	-	-	-	-	-	10.37	7.66
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	3.43	2.59	-	-	-	-	3.43	2.59
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	0.83	0.49	-	-	-	-	0.83	0.49
Donation-Rane Foundation	-	-	-	-	-	-	0.47	0.56	-	-	-	-	-	-	0.47	0.56
Miscellaneous Expenses	0.61	0.46	-	-	-	-	-	-	-	-	-	-	-	-	0.61	0.46
Testing charges - RNSS	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-	0.32	-
Service fee - RT4U	-	-	-	-	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Reimbursement of expenses to RHL	-	0.03	-	-	-	-	-	-	-	-	-	-	-	-	-	0.03
Reimbursement of Expenses to RBL	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02	-
Reimbursement of Expenses from REVL	-	-	-	-	-	-	-	-	0.23	0.07	-	-	-	-	0.23	0.07

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 have taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Reimbursement of Expenses from RBL	-	-	-	-	-	-	-	-	1.09	0.34	-	-	-	-	1.09	0.34
Reimbursement of Expenses from ZRAI	-	-	-	-	-	-	-	-	-	-	0.22	0.08	-	-	0.22	0.08
Reimbursement of Expenses from RNSS	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-
<b>Capital Expenditure</b>																
Licence Fee	0.02	0.54	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.54
Loans, investments and guarantees																
Preferential Issue of Equity shares	-	30.00	-	-	-	-	-	-	-	-	-	-	-	-	-	30.00
<b>Contributions to post employment benefit plan</b>																
Contributions to RMEGF	-	-	-	-	-	-	-	-	-	-	-	-	2.51	2.90	2.51	2.90
Contributions to RMESEPF	-	-	-	-	-	-	-	-	-	-	-	-	0.55	0.58	0.55	0.58
<b>Remuneration to KMP</b>																
Commission to Chairman	-	-	-	1.07	-	-	-	-	-	-	-	-	-	-	-	1.07
Salaries - Ms. Gowri Kailasam	-	-	1.52	1.17	-	-	-	-	-	-	-	-	-	-	1.52	1.17
Salaries - Mr. Aditya Ganesh	-	-	-	-	0.75	0.59	-	-	-	-	-	-	-	-	0.75	0.59
Sitting Fees	-	-	0.06	0.07	-	0.01	-	-	-	-	-	-	-	-	0.06	0.08

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Details of Related Party balances:	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions have taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Balance as at year end March, 31																
Payables																
RHL	5.77	1.05	-	-	-	-	-	-	-	-	-	-	-	-	5.77	1.05
Mr L Ganesh	-	-	-	1.07	-	-	-	-	-	-	-	-	-	-	-	1.07
REVL	-	-	-	-	-	-	-	-	0.07	0.10	-	-	-	-	0.07	0.10
RBL	-	-	-	-	-	-	-	-	0.74	0.62	-	-	-	-	0.74	0.62
RHAI	-	-	-	-	-	-	-	-	0.37	0.19	-	-	-	-	0.37	0.19
RHEG	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06	-
ZRAI	-	-	-	-	-	-	-	-	-	-	0.65	0.57	-	-	0.65	0.57
RNSS	-	-	-	-	-	-	-	-	-	-	7.87	4.68	-	-	7.87	4.68
Receivables																
REVL	-	-	-	-	-	-	-	-	0.05	0.02	-	-	-	-	0.05	0.02
RHAI	-	-	-	-	-	-	-	-	0.17	-	-	-	-	-	0.17	-
RHEG	-	-	-	-	-	-	-	-	-	0.05	-	-	-	-	-	0.05
RNSS	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02	-
ZRAI	-	-	-	-	-	-	-	-	-	-	3.68	2.22	-	-	3.68	2.22

## Remuneration to Key Management personnel

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Short term benefits paid	3.94	2.16
Post employment benefits		
Other Long term benefits paid	0.09	0.08
Termination Benefits	-	-
<b>Total</b>	<b>4.03</b>	<b>2.24</b>

Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Group as a whole.

All transactions with related parties are carried out at arm's length basis.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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 Rs. 6.85 Crores (for the year ended March 31, 2022: Rs. 6.39 Crores) represents contributions payable to these plans by the Company at rates specified in the rules of the plans. As at March 31, 2023, contributions of Rs. 1.12 Crores (as at March 31, 2022: Rs. 1.14 Crores) due in respect to 2022-23 (2021-22) 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, 2023

(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, 2023	Year ended March 31, 2022
Opening defined benefit obligation	25.05	22.41
Current Service Cost	1.93	1.67
Provision assumed on account of business combination (Refer note 42)	-	0.12
Interest cost	1.73	1.50
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	1.46	0.48
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	(2.71)	(1.13)
Closing defined benefit obligation	27.46	25.05

(ii) Movements in the fair value of the plan assets

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening fair value of plan assets	25.20	21.38
Interest income	1.84	1.53
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.26)	0.53
Contributions from the Employer	2.51	2.90
Benefits paid	(2.72)	(1.14)
Closing fair value of plan assets	26.57	25.20

(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, 2023	As at March 31, 2022
Present value of funded defined benefit obligation	27.46	25.05
Fair value of plan assets	26.57	25.20
Funded status	0.89	(0.15)
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	0.89	(0.15)
Current	0.89	(0.15)
Non current	-	-



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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, 2023	Year ended March 31, 2022
Service Cost :		
Current Service cost	1.93	1.67
Net interest Expense	(0.10)	(0.03)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>1.83</b>	<b>1.64</b>
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	1.46	0.48
Actuarial (gains) / losses arising from changes in financial assumptions	0.26	(0.53)
Actuarial (gains) / losses arising from experience adjustments	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>1.72</b>	<b>(0.05)</b>
<b>Total</b>	<b>3.55</b>	<b>1.59</b>

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, 2023	March 31, 2022
Discount Rate(s)	7.20%	7.32%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Attrition Rate		
Executives and Staff	6.10%	4.70%
Operators	2.09%	1.27%

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, 2023	March 31, 2022
A. Discount Rate + 50 BP	7.70%	7.82%
Defined Benefit Obligation	26.41	24.01
Increase/(Decrease)	1.05	1.04
B. Discount Rate - 50 BP	6.7%	6.8%
Defined Benefit Obligation	28.60	26.16
Increase/(Decrease)	(1.14)	(1.11)
C. Salary Escalation Rate +50 BP	8.5% pa and 6.5% pa	8.5% pa and 6.5% pa
Defined Benefit Obligation	28.62	26.17

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Change in assumption	Valuation as at	
	March 31, 2023	March 31, 2022
Increase/(Decrease)	(1.16)	(1.12)
D. Salary Escalation Rate -50 BP	7.5% pa and 5.5% pa	7.5% pa and 5.5% pa
Defined Benefit Obligation	26.37	23.98
Increase/(Decrease)	1.09	1.07
E. Attrition Rate +50 BP	6.51% pa and 2.59% pa	5.20% pa and 1.77% pa
Defined Benefit Obligation	27.51	25.10
Increase/(Decrease)	(0.05)	(0.05)
F. Attrition Rate -50 BP	5.51% pa and 1.59% pa	4.20% pa and 0.77% pa
Defined Benefit Obligation	27.42	24.99
Increase/(Decrease)	0.04	0.06

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 8.8 years (2022-9.4 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Year 1	1.89	1.38
Year 2	2.95	3.46
Year 3	3.29	1.44
Year 4	2.78	2.83
Year 5	3.24	2.33
Next 5 Years	12.44	12.14

### 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 Rs. 0.87 Crores (for the year ended March 31, 2022: Rs. 1.08 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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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:

**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.

#### A. Defined contribution plans

Particulars	Pension (Funded)	
	March 31, 2023	March 31, 2022
Present Value of obligations at the beginning of the year	48.47	48.92
Current service cost	0.49	0.54
Interest Cost	1.79	1.53
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(0.07)	0.35
- Actuarial gains and losses arising from financial assumptions	(7.87)	(2.75)
Benefits paid	(1.70)	(1.55)
Foreign currency translation adjustment	3.94	1.43
Present Value of obligations at the end of the year	45.05	48.47
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	35.20	35.23
Interest Income	1.30	1.10
Contributions from the employer	1.81	1.29
Benefits Paid	(1.70)	(1.55)
Return on Plan Assets, Excluding Interest Income	(5.33)	(1.90)
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	2.89	1.03
Fair Value of plan assets at the end of the year	34.17	35.20
Amounts recognized in the Balance Sheet	(10.88)	(13.27)
Projected benefit obligation at the end of the year	(45.05)	(48.47)
Fair value of plan assets at end of the year	34.17	35.20
Funded status of the plans – Liability recognised in the balance sheet	(10.88)	(13.27)

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

Particulars	Pension (Funded)	
	March 31, 2023	March 31, 2022
Current	-	-
Non Current	(10.88)	(13.27)
Components of defined benefit cost recognised in profit or loss		
Current service cost	0.49	0.54
Net Interest Expense	0.49	0.43
Past service cost	-	-
Net Cost in Profit or Loss	0.98	0.97
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	(7.94)	(2.40)
Return on plan assets	5.33	1.90
Net Income / (Cost) in Other Comprehensive Income	(2.61)	(0.50)
Assumptions	As at March 31, 2023	As at March 31, 2022
Discount rate	3.49%	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

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:

### A. Defined contribution plans

Sensitivity Analysis	As at March 31, 2023	As at March 31, 2022
Projected Benefit Obligation on Current Assumptions	45.05	48.47
Delta Effect of +0.5% Change in Rate of Discounting	(2.54)	(3.29)
Delta Effect of -0.5% Change in Rate of Discounting	2.81	3.68

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.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

#### 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, 2023	As at March 31, 2022
Year 1	2.12	1.88
Year 2	2.05	1.89
Year 3	2.13	1.98
Year 4	2.24	2.05
Year 5	2.34	2.15
Next 5 Years	12.68	11.89

#### 37 Earnings per Share:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Basic Earnings per share (in Rs.)	18.46	6.97
Diluted Earnings per share (in Rs.)	18.46	6.97

#### 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, 2023	Year ended March 31, 2022
Profit/(Loss) for the year	30.02	10.66
Earnings used in the calculation of basic earnings per share	30.02	10.66

Particulars	In Nos. Year ended March 31, 2023	In Nos. Year ended March 31, 2022
(a) Number of equity Shares of Rs. 10 each outstanding at the end of the year	1,62,65,267	1,62,65,267
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,62,65,267	1,52,91,866

#### Diluted Earnings per share

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Earnings used in the calculation of basic earnings per share	30.02	10.66
Earnings used in the calculation of diluted earnings per share	30.02	10.66

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

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:

Particulars	In Nos.	In Nos.
	Year ended March 31, 2023	Year ended March 31, 2022
Weighted average number of equity shares used in the calculation of basic earnings per share	1,62,65,267	1,52,91,866
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,62,65,267	1,52,91,866

### 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 or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise 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, whether recorded in writing or otherwise 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 Parties (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 defaulter 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, 2023

(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 information submitted	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-22	(i) RBL Bank Limited	Trade receivables	342.97	337.40	5.57	The amount reported excludes debtors more than 90 days
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited					
	(v) Standard chartered Bank	Trade payables	321.40	213.82	107.58	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(vi) Axis Bank					
	(vii) ICICI Bank					
Sep-22	(i) RBL Bank Limited	Trade receivables	364.96	359.03	5.93	The amount reported excludes debtors more than 90 days
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited					
	(v) Standard chartered Bank	Trade payables	337.62	199.86	137.76	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(vi) Axis Bank					
	(vii) ICICI Bank					
Dec-22	(i) RBL Bank Limited	Trade receivables	344.69	339.35	5.34	The amount reported excludes debtors more than 90 days.
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited					
	(v) Standard chartered Bank	Trade payables	350.95	215.12	135.83	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(vi) Axis Bank					
	(vii) ICICI Bank					
Mar-23	(i) RBL Bank Limited	Trade receivables	380.89	376.46	4.43	The amount reported excludes debtors more than 90 days.
	(ii) Kotak Mahindra Bank					
	(iii) HDFC Bank					
	(iv) DBS Bank India Limited					
	(v) Standard chartered Bank					
	(vi) Axis Bank	Trade payables	324.74	214.90	109.84	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
	(vii) ICICI Bank					
	(viii) State Bank of India					

Notes:

- Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission except as at March 31, 2023
  - Quarterly information requirements for individual banks may be different for similar line items.
  - The above information is based on the revised returns/ statements filed.
- (x) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

- (xi) The Group has not revalued its property, plant and equipment(including Right of use assets) / intangible assets/both during the current/previous year.
- (xii) The Group has not entered into any scheme of arrangements as per sections 230 to 237 of the Companies Act, 2013.

### 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, 2023	As at March 31, 2022
Current lease liabilities	2.12	1.65
Non-current lease liabilities	7.82	7.11
<b>Total</b>	<b>9.94</b>	<b>8.76</b>

#### B. Movement in Lease liabilities :

The following is the movement in lease liabilities:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	8.75	9.44
Additions	2.92	0.54
Finance costs accrued during the period	1.38	0.83
Deletions	(0.07)	-
Payment of Lease liabilities	(2.55)	(2.04)
Effects of Foreign exchange	(0.49)	(0.02)
<b>Closing balance</b>	<b>9.94</b>	<b>8.75</b>

#### C. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	2.15	2.19
One to five years	4.64	3.41
More than five years	10.74	11.31
<b>Total</b>	<b>17.53</b>	<b>16.91</b>

#### D. Amounts recognised in profit or loss

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on lease liabilities	1.38	0.83
Expenses relating to short- term leases	4.48	2.48

#### E. Amounts recognized/disclosed in cash flow statement

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total cash outflows for leases	2.55	2.04

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

### 40 Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Contingent Liabilities</b>		
Claims against the Group not acknowledged as debt		
- Income Tax matters under appeal	17.87	18.52
- Central Excise, Service Tax and Sales tax matters under appeal	8.98	8.88
- Labour related matters under appeal	5.06	4.64
<b>Total</b>	<b>31.91</b>	<b>32.04</b>

In addition to the above, the Group from time to time is also engaged in proceedings pending with various authorities in the ordinary course of business. Judgement is required in assessing the range of possible outcomes for some of these matters, which could change substantially over time as each of the matters progresses depending on experience on actual assessment proceedings by the respective authorities and other judicial precedents. Based on its internal assessment supported by external legal counsel views, as considered necessary, the Company believes that it will be able to sustain its positions if challenged by the authorities and accordingly no additional provision / disclosures are required for these matters.

Management is of the view that above matters will not have any material adverse effect on the Group's financial position and results of operations.

### 40A Guarantees and Commitment

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Commitments</b>		
-Estimated amount of contracts remaining to be executed on capital account and not provided for	17.45	15.88

### 41 Events after the reporting date

The Group has evaluated subsequent events from the balance sheet date through May 05, 2023, 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
<b>Total consideration for business combination</b>	<b>23.19</b>

# NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

## AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

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

**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 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)
<b>Total net identifiable assets acquired</b>	<b>22.62</b>

**C. Goodwill**

Particulars	Amount
Consideration transferred	23.19
Fair value of net identifiable assets	22.62
<b>Goodwill</b>	<b>0.57</b>

**43 Interest in other entities****Subsidiaries**

The Group's subsidiaries at March 31, 2023 and March 31, 2022 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, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
Rane (Madras) International Holdings B.V (RMIH)	Netherlands	100%	100%	-	-	Strategic overseas investment
Rane Light Metal Castings Inc.	USA	100%	100%	-	-	Manufacture of High pressure aluminium die casting

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

### AS AT AND FOR THE YEAR ENDED MARCH 31, 2023

(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
<b>Parent</b>								
Rane (Madras) Limited								
As at March 31, 2023	102%	247.11	(422)%	(126.54)	8%	(1.28)	(946)%	(127.82)
As at March 31, 2022	164%	374.93	343%	36.61	1%	0.04	226%	36.65
<b>Subsidiaries</b>								
Rane (Madras) International Holdings B.V (RMIH)								
As at March 31, 2023	(144)%	(348.24)	(771)%	(231.58)	120%	(19.76)	(1860)%	(251.34)
As at March 31, 2022	43%	(97.06)	(13)%	(1.36)	111%	6.20	30%	4.84
Rane Light Metal Castings Inc.								
As at March 31, 2023	13%	32.20	(239)%	(71.82)	(27)%	4.53	(498)%	(67.29)
As at March 31, 2022	11%	25.28	(224)%	(23.93)	(13)%	(0.74)	(152)%	(24.67)
<b>Consolidation adjustments</b>								
As at March 31, 2023	129%	310.58	1532%	459.96	0%	-	3405%	459.96
As at March 31, 2022	(33)%	(75.01)	(6)%	(0.66)	0%	-	(4)%	(0.66)
<b>Total</b>								
As at March 31, 2023	100%	241.65	100%	30.02	100%	(16.51)	100%	13.51
As at March 31, 2022	100%	228.14	100%	10.66	99%	5.58	100%	16.24

#### 45 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 05, 2023.

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 05, 2023

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 05, 2023

# FORM AOC - 1

(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

S.No	Particulars	1	2
1	Name of the subsidiary	Rane (Madras) International Holdings, B.V	Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiaries.	EUR 1EUR = ₹89.55	USD 1USD = ₹82.11
4	Share capital	0.15	0.00*
5	Reserves & surplus	(348.39)	32.20
6	Total assets	17.18	209.12
7	Total Liabilities	365.42	176.92
8	Investments	16.16	-
9	Turnover (including other Income)	-	230.89
10	Profit before taxation	(231.58)	(71.82)
11	Provision for taxation	-	(0.01)
12	Profit after taxation	(231.58)	(71.83)
13	Proposed Dividend	-	-
14	% of shareholding	100%	100%

\*Share Capital - ₹6,834/-

For and on behalf of the Board of directors

**Ganesh Lakshminarayan**  
Chairman  
DIN:00012583

**Harish Lakshman**  
Vice Chairman  
DIN:00012602

Chennai  
May 05, 2023

**Gowri Kailasam**  
Manager

**B Gnanasambandam**  
Chief Financial Officer

**S Subha Shree**  
Company Secretary



Annexure to the Report of the Board of Directors

# PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2022-23

Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

## 1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	% increase / (decrease) of remuneration FY 2022-23	Ratio of remuneration of each Director to median remuneration of employees
<b>Director</b>			
Mr. L Ganesh	Non- Executive Chairman	- (Refer note ii)	- (Refer note i)
<b>Key Managerial Personnel</b>			
Ms. Gowri Kailasam	Manager	29%	Not Applicable
Mr. B Gnanasambandam	Chief Financial Officer	23%	
Ms. S Subha Shree	Company Secretary (Refer note iv)	29%	

### Note:

- None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof.
  - No commission was paid to Mr. L Ganesh, Chairman for FY 22-23. Hence, not comparable with previous year.
  - Remuneration considered is based on annual emoluments (including variable pay) and designation as on date.
  - Remuneration of Company Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
- Percentage increase in median remuneration during the year: **9%**.
  - Number of permanent employees on the rolls of the Company as on March 31, 2023: **1165**.
  - Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (FY 2022-23) was **11%** as against a percentile increase in managerial remuneration of **29%** in the last financial year (FY 2022-23). The increase in managerial remuneration is in line with the performance of the Company & industry practice.
  - It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

For and on behalf of the Board

Chennai  
May 05, 2023

Harish Lakshman  
Vice-Chairman  
DIN:00012602

Ganesh Lakshminarayan  
Chairman  
DIN:00012583

## NOTES

[illegible]





**Rane (Madras) Limited**

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