



Rane Engine Valve Limited

52nd Annual Report 2023-24



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FINANCIAL HIGHLIGHTS

OPERATIONAL PERFORMANCE

(₹ in Crores)

| FINANCIAL YEAR | FY 24 | FY 23 | FY 22 | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 |
|----------------|--------|--------|---------|--------|---------|---------|---------|--------|---------|--------|
| Total Income * | 570.34 | 499.63 | 384.95 | 304.94 | 358.15 | 424.86 | 377.01 | 357.63 | 352.55 | 399.23 |
| EBITDA | 44.89 | 29.55 | 12.88 | 21.49 | 13.31 | 19.92 | 15.46 | 115.24 | 24.10 | 78.30 |
| PBT | 15.68 | 0.16 | (15.01) | (9.70) | (25.29) | (20.49) | (21.13) | 77.57 | (17.66) | 31.46 |
| PAT | 11.46 | (0.06) | (11.86) | (6.09) | (16.34) | (13.57) | (17.06) | 57.69 | (12.54) | 23.48 |

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

KEY PERFORMANCE INDICATORS

| FINANCIAL YEAR | FY 24 | FY 23 | FY 22 | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 |
|------------------------|-------|--------|---------|--------|---------|---------|---------|-------|---------|-------|
| Earnings Per Share (₹) | 15.93 | (0.09) | (17.65) | (9.06) | (24.31) | (20.20) | (25.40) | 85.86 | (18.67) | 34.94 |
| ROCE (%) | 12.26 | 4.92 | (3.70) | (0.79) | (7.17) | (4.36) | (5.66) | 36.77 | (1.46) | 18.72 |
| RONW (%) | 10.15 | (0.06) | (11.72) | (5.63) | (13.71) | (10.12) | (11.33) | 43.86 | (11.48) | 26.32 |

BALANCE SHEET

(₹ in Crores)

| FINANCIAL YEAR | FY 24 | FY 23 | FY 22 | FY 21 | FY 20 | FY 19 | FY 18 | FY 17 | FY 16 | FY 15 |
|-------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Equity Share Capital | 7.23 | 7.06 | 6.72 | 6.72 | 6.72 | 6.72 | 6.72 | 6.72 | 6.72 | 5.15 |
| Shareholders' funds | 120.81 | 104.86 | 97.16 | 105.16 | 110.99 | 127.31 | 140.98 | 160.05 | 102.95 | 115.52 |
| Non current Liabilities | 56.18 | 60.64 | 48.31 | 68.16 | 47.93 | 49.35 | 44.30 | 36.59 | 68.67 | 68.88 |
| Current Liabilities | 176.84 | 186.63 | 166.19 | 128.94 | 143.59 | 166.42 | 135.09 | 109.68 | 137.90 | 158.45 |
| Non current assets | 140.84 | 136.73 | 136.00 | 137.36 | 149.52 | 161.89 | 160.88 | 164.07 | 186.44 | 195.66 |
| Current assets | 212.99 | 215.40 | 175.66 | 164.90 | 153.00 | 181.19 | 159.49 | 142.25 | 123.07 | 147.19 |

Note :

- Figures from 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

Harish Lakshman, Chairman
L Ganesh
N Ramesh Rajan
Pradip Kumar Bishnoi
Vasudha Sundararaman
Vikram Hosangady

Audit Committee

N Ramesh Rajan, Chairman
L Ganesh
Pradip Kumar Bishnoi

Stakeholders' Relationship Committee

L Ganesh, Chairman
Vikram Hosangady
Vasudha Sundararaman

Nomination and Remuneration Committee

Pradip Kumar Bishnoi, Chairman
Vasudha Sundararaman
Harish Lakshman

Corporate Social Responsibility Committee

Harish Lakshman, Chairman
L Ganesh

President & Manager

Dr. S Rajkumar

Senior Vice President - Finance & Chief Financial Officer

VK Vijayaraghavan

Company Secretary

S Anand

Listing of Shares on

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

Statutory Auditors

M/s. Varma & Varma,
Chartered Accountants
No.2, Old No.20, 2nd Canal Cross Road
Gandhi Nagar, Adyar, Chennai - 600 020

Cost Auditors

Ms. Jayaram & Associates,
Cost Accountants,
10, Rajan Street, T.Nagar, Chennai - 600 017

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
Federal Bank Limited
Standard Chartered Bank
IndusInd Bank Limited
Yes Bank Limited

Registered Office

Rane Engine Valve Limited
CIN: L74999TN1972PLC006127
"MAITHRI", 132, Cathedral Road
Chennai - 600 086
Phone: +91 44 28112472
Email: investorservices@ranegroup.com
Webiste: www.ranegroup.com

Head Office

2nd floor, ESPEE IT PARK,
Developed Plot No.5 (NP)
Jawaharlal Nehru Road, Ekkatuthangal,
Guindy, Chennai - 600 032

Plants

- 1) Post Box No.4, Redhills Road, Madhavaram,
Ponneri - 601 204, Tamil Nadu
- 2) Plot No.68 to 77, Industrial Estate,
Medchal - 501 401,
R.R.District, Telangana
- 3) Survey No.177/20, Hyderabad- Vikarabad Road,
Aziz Nagar - 500 075,
R.R.District, Telangana
- 4) Survey Nos. 109,111 & 121,
Seniapatti, Kasavanur Village,
Viralimalai Union - 621 316,
Pudukottai District, Tamil Nadu.
- 5) Plot No.36B & 37, Hirehalli
Industrial Area - 572 168
Tumakuru, Karnataka.

Registrar and Transfer Agent

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

Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

Registered office: "Maithri", 132, Cathedral Road, Chennai 600086

Phone: 044-28112472/73

Email: investorservices@ranegroup.com, website: www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Fifty-Second (52nd) Annual General Meeting of Rane Engine Valve Limited will be held on Tuesday, July 23, 2024 at 14:00 hours (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2024, together with the reports of the Board of Directors and the Auditor thereon

To consider passing the following resolution as an ordinary resolution:

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2024, 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."

2. To declare dividend on equity shares

To consider passing the following resolution as an ordinary resolution:

"Resolved that a dividend of ₹5/- per equity share having face value of ₹10/- each fully paid up on 72,34,455 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2024 and the same to be paid to those shareholders, whose names appear in the Company's Register of Members as on Tuesday, July 16, 2024."

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

To consider passing the following resolution as an ordinary resolution:

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

SPECIAL BUSINESS:

4. To ratify remuneration of Cost Auditor for FY 2023-24

To consider passing the following resolution as an ordinary resolution:

"Resolved that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹3,00,000/- (Rupees Three Lakhs only) excluding applicable taxes, reimbursement of the travelling and other out of pocket expenses to M/s. Jayaram & Associates, Cost Accountants (Firm Registration Number: 101077) who were appointed as the Cost Auditors of the Company by the Board of Directors, to conduct audit of the cost records of the Company for the financial year ended 2023-24 be and is hereby ratified and confirmed.

Resolved further that the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

(By order of the Board)
For Rane Engine Valve Limited

Chennai
May 07, 2024

Registered Office:
Rane Engine Valve Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L74999TN1972PLC006127
www.ranegroup.com

S Anand
Secretary

NOTES:

1. The 52nd AGM of the Company is being conducted through VC / OAVM Facility, in compliance with General Circular No. 09/2023 dated September 25, 2023 read with previous circulars in this regard 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 52nd 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 through VC / OAVM pursuant to the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Member 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 email address of the Company i.e., investorservices@ranegroup.com.
5. The record date for the purpose of dividend and cut-off date for the purpose of determining eligibility of members for voting in connection with the 52nd AGM has been fixed as **Tuesday, July 16, 2024**.
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 52nd AGM and the Annual Report 2024 will be available in the Investors section on the Company's website www.ranegroup.com.
8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

**M/s. Integrated Registry Management
Services Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017
e-mail ID: einward@integratedindia.in
website: www.integratedregistry.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has recently mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, email address, mobile number, bank account details) and nomination details by holders of securities. Relevant details and forms prescribed by SEBI in this regard are available under the Investor Information Section on the Investor's page on the website of the company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.
11. SEBI has vide its amendment Circular Nos. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 and SEBI/HO/MIRSD/POD-1/P/CIR/2023/181 dated November 17, 2023 read with previous circulars issued in this regard has mandated that with effect from April 01, 2024, dividend to security holders (holding securities in physical form), shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, choice of nomination, contact details including mobile number, bank account details and specimen signature.
Further, relevant FAQs published by SEBI can be viewed on its website <https://www.sebi.gov.in/>
12. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. Shareholders (Resident / Foreign) are required to update necessary documents for exemption / deduction at beneficial rates by uploading necessary documents on the Investor Information Section on the Investor's page on the website of the company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/> or email to investorservices@ranegroup.com
13. 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.

14. In compliance with the aforesaid MCA Circular dated September 25, 2023 and SEBI Circular SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 ('SEBI Circular') the Notice of the AGM along with the Annual Report 2024 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 2024 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.
15. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
16. Information pursuant to regulations 36(3) & (5) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment and auditors re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
17. Members seeking any information with regard to the accounts or any other matters relating to this AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
18. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which the Directors are interested, under Section 189 of the Act, will be available in electronic form for inspection by the members during the AGM. All documents referred in the notice will be available in electronic form for inspection. Members seeking to inspect such documents electronically can send an e-mail to investorservices@ranegroup.com.
19. SEBI vide Circular no. SEBI/HO/OIAE/ OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 (updated as on August 04, 2023 and December 20, 2023) has specified that a shareholder shall first take up his/her/their grievance with the listed entity by lodging a complaint directly with the concerned listed entity and if the grievance is not redressed satisfactorily, the shareholder may, in accordance with the SCORES guidelines, escalate the same through the SCORES Portal in accordance with the process laid out therein. Only after exhausting all available options for resolution of the grievance, if the shareholder is not satisfied with the outcome, he/she/they can initiate dispute resolution through the Online Dispute Resolution ("ODR") Portal at <https://smartodr.in/login>. The aforesaid SEBI Circular and the link for the ODR Portal is also available on the website of the company.
20. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
21. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
- (i) The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') and for e-voting 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. Balu Sridhar, Practicing Company Secretary (ICSI Membership no. FCS 5869), Partner, M/s. A.K. Jain & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
 - (iv) The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.
- The instructions to shareholders for e-voting and joining virtual meetings are as under:**
- (i) The voting period begins on **Saturday, July 20, 2024 at 09:00 hrs (IST)**, and ends on **Monday, July 22 2024, by 17:00 hrs (IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Tuesday, July 16, 2024**, 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 AGM date would not be entitled to vote at AGM
 - (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 shareholders / retail shareholders is at a negligible level.

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

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

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

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

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

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

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

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

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

| Login type | Helpdesk details |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

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

- (v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**
 - a. The shareholders should log on to the e-voting website www.evotingindia.com.
 - b. Click on "Shareholders" module.
 - c. Now enter your User ID
 - i For CDSL: 16 digits beneficiary ID,
 - ii For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - d. Next enter the Image Verification as displayed and Click on Login.
 - e. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

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

| | For Physical shareholders and other than individual shareholders holding shares in Demat. |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • 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. |

- (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 and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login 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 (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- Instructions to shareholders attending the AGM through VC / OAVM & e-voting during meeting are as under:**
- (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 **Thursday, July 18, 2024 at 09:00 hrs (IST) and Saturday, July 20, 2024 by 17:00 hrs (IST)** mentioning their name, demat account number / folio number, email id, mobile number to investorservices@ranegroup.com. The shareholders who do not wish to speak during the AGM but have queries may too send their queries in advance in the above manner. The Company would endeavour to address these queries suitably.
 - (viii) Those shareholders who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting on items set out in the AGM Notice..
 - (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 / 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), AADHAR (self-attested scanned copy of Aadhar 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 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, Central Depository Services (India) Limited Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

(By order of the Board)
For **Rane Engine Valve Limited**

Chennai
May 07, 2024

S Anand
Secretary

Registered Office:
Rane Engine Valve Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L74999TN1972PLC006127
www.ranegroup.com

EXPLANATORY STATEMENT

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

Item No.4

In terms of the Companies (Audit and Auditors) Rules, 2014 (the Rules), the Company is required to appoint a Cost Auditor to audit the cost records of the Company. Based on the recommendation of the Audit Committee, the Board of Directors of the Company had approved the appointment of M/s. Jayaram & Associates, Cost Accountants (Firm Registration Number: 101077), represented by Mr. NK Rajprakash (Membership No. 43164), as the Cost Auditor of the Company for the financial year 2023-24 on a remuneration of ₹3,00,000/- per annum

excluding applicable taxes, reimbursement of out-of-pocket expenses incurred, if any, in connection with the cost audit. The remuneration payable to the Cost Auditor is required to be ratified by the members in accordance with the provisions of the applicable rules thereunder.

None of the Directors, Key Managerial Personnel and their relatives is concerned or interested in the resolution. Accordingly, the Board recommends passing the resolution as set out at item no. 4 of this notice as an **ordinary resolution**.

(By order of the Board)
For **Rane Engine Valve Limited**

Chennai
May 07, 2024

S Anand
Secretary

Registered Office:
Rane Engine Valve Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L74999TN1972PLC006127
www.ranegroup.com

Annexure to the Notice dated May 07, 2024

Information about directors seeking re-appointment / appointment at the 52nd 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. Ganesh Lakshminarayan |
| I. Brief Resume | |
| Age (in years) | 70 |
| DIN | 00012583 |
| Father's Name | Mr. L L Narayan |
| Date of Birth | March 18, 1954 |
| Educational Qualifications | B.Com., ACA and MBA from Pennsylvania State University, USA. |
| Experience | Mr. L Ganesh has over 48 years of industrial experience in and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an honorary consul for New Zealand in South India. |
| 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 first appointment on the board | March 29, 1999 |
| Terms and Conditions of appointment | Re-appointment as Non-Executive Director, liable to retire by rotation. |
| Last drawn remuneration | Sitting fee paid for FY 23-24: ₹2,32,500/- |
| Remuneration sought to be paid | He is entitled to receive sitting fees for attending meetings of the Board and committees thereof. |
| Relationship with other Directors / Manager / other KMP | Member of Promoter / Promoter Group |
| Other Directorships | <p>Chairman: Rane Holdings Limited ZF Rane Automotive India Private Limited Chennai Willingdon Corporate Foundation Chennai Heritage</p> <p>Director: Rane (Madras) Limited Rane Brake Lining Limited Sundaram Finance Limited Rane NSK Steering Systems Private Limited</p> |

| Name of the Director | Mr. Ganesh Lakshminarayan |
|--------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Committee Memberships in other Boards | <p>Chairman:</p> <p>Audit Committee: ZF Rane Automotive India Private Limited</p> <p>Stakeholders' Relationship Committee: Sundaram Finance Limited</p> <p>Corporate Social Responsibility Committee: Rane Holdings Limited ZF Rane Automotive India Private Limited</p> <p>Risk Management Committee: Rane Holdings Limited</p> <p>Member:</p> <p>Audit Committee: Rane Holdings Limited Rane Brake Lining Limited Rane (Madras) Limited Rane NSK Steering Systems Private Limited</p> <p>Stakeholders' Relationship Committee: Rane Holdings Limited Rane Brake Lining Limited</p> <p>Corporate Social Responsibility Committee: Rane (Madras) Limited Rane Brake Lining Limited Rane NSK Steering Systems Private Limited</p> <p>Risk Management Committee: Rane (Madras) Limited Rane Brake Lining Limited</p> |
| Listed entities from which Director has resigned in the past three years | EIH Limited* EIH Associated Hotels Limited* |
| Number of meetings of the Board attended during the year | 6 |
| Number of equity shares held (including joint holdings, if any) | 135 |
| Number of equity shares held as beneficial owners in the Company | - |

*ceased to be director w.e.f March 07, 2022.

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Fifty-Second Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2024 and other prescribed particulars:

1. State of Company's affairs

The financial year 2023-24 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 turnaround and sustenance plan started couple of years back has yielded results in operational efficiency, capacity realization, export growth and better cost management. This resulted in the Company improving operational profits significantly when compared to last year.

Continued focus on productivity and quality improvements during the year yielded desired results. The capacity utilization in all the plants improved significantly.

1.1. Financial Performance

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

| Particulars | ₹ in Crores | |
|-------------------------------------------------------------------------------------|--------------|-------------|
| | 2023-24 | 2022-23 |
| Revenue from Operations | 566.75 | 497.57 |
| Other Income | 3.59 | 2.06 |
| Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense | 50.31 | 36.22 |
| Less: Depreciation / Amortisation / Impairment | 19.02 | 19.28 |
| Profit / loss before Finance Costs, Exceptional items and Tax Expense | 31.29 | 16.94 |
| Less: Finance Costs | 10.19 | 10.11 |
| Profit / loss before Exceptional items and Tax Expense | 21.10 | 6.83 |
| Add / (less): Exceptional items | (5.42) | (6.67) |
| Profit / (loss) before Tax Expense | 15.68 | 0.16 |
| Less: Tax Expense (Current & Deferred) | (4.22) | (0.22) |
| Profit / (loss) for the year (1) | 11.46 | (0.06) |
| Other Comprehensive Income / loss (2) | 0.75 | 0.26 |
| Total Comprehensive Income (1+2) | 12.21 | 0.20 |
| Balance of profit / loss for earlier years | (47.40) | (47.60) |

| Particulars | 2023-24 | 2022-23 |
|--------------------------------------|---------|---------|
| Less: Transfer to Reserves | - | - |
| Less: Dividend paid on Equity Shares | - | - |
| Less: Dividend Distribution Tax | - | - |
| Balance carried forward | (35.19) | (47.40) |

The Key Performance Indicators (KPI), operational performance and summary on balance sheet are furnished in page no.1 of this annual report and significant changes in key ratios are discussed in Management Discussion and Analysis Report and notes to the financial statements.

The net sales and operating revenue of the Company for the year 2023-24 was ₹566.75 crores as against ₹497.57 crores for the previous year. The Company made a net profit of ₹11.46 crores as against loss of ₹0.06 crores in the previous year. The Earnings Per Share (EPS) for the year 2023-24 was ₹15.93 as against ₹(0.09) in the previous year.

The Company continues to be a Subsidiary of Rane Holdings Limited (RHL / Holding Company). There was no material change or commitments, affecting the financial position of the Company between the end of the financial year of the Company and date of the report other than those disclosed in the financial statements section of this annual report. There was no change in the nature of business during the year.

1.2. Appropriation

The Board of Directors, taking into consideration, the operational performance and financial position of the Company, have recommended a dividend of 50% (i.e., ₹5/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 52nd Annual General Meeting (AGM) scheduled to be held on July 23, 2024. The total dividend payable on equity shares for FY 2023-24 would be ₹3.62 crores.

On declaration of the dividend by the shareholders, it will be paid on August 01, 2024 to all the eligible shareholders, whose name appears in the register of members of the Company as on July 16, 2024, being the Record Date fixed for this purpose, subject to deduction of tax at source where applicable. The total of dividend payable for the FY 2023-24 would be ₹5/- per equity share of a face value of ₹10/- each. This represents a payout ratio of 32%.

Considering the above, the Board has carried forward ₹35.19 Crores as deficit in the profit and loss account.

The dividend pay-out is in accordance with the Company's Dividend Distribution Policy. The policy is available under the Corporate Governance Section on the Investor's page on the website of the company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

1.3. Merger / Scheme of Amalgamation

The Board of Directors of the Company at its meeting held on February 09, 2024 has considered and approved Scheme of Amalgamation of Rane Engine Valve Limited and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder ('Scheme').

The Scheme is subject to the approval of shareholders, creditors, Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited, National Company Law Tribunal and such other approvals as may be required.

The merger significantly simplifies the group structure by consolidating listed group companies and aligns public shareholder's interest by converging the stake at a single listed entity. The Management Discussion and Analysis section of this Annual Report carries the rationale and benefits of the Scheme of Amalgamation.

1.4. Credit rating

During the year, CRISIL revised and upgraded the Long-Term Rating 'CRISIL BBB' to 'CRISIL BBB+' with outlook as 'Stable' and Short-Term Rating 'CRISIL A3+' to 'CRISIL A2' on May 24, 2023. The rating action reflects CRISIL Ratings expectation that REVL sustain double digit revenue growth driven by better offtake from Passenger Vehicles (PV) and Commercial Vehicles (CV) makers.

Further, Long-Term Rating and Short-Term Rating was kept under review as 'Rating Watch with Positive Implications' on February 20, 2024, the rating action follows the announcement of merger referred to in para 1.3 of this report.

This has been disclosed to stock exchange and made available in the Company's website. The Corporate Governance section of this Annual Report carries the details of credit rating.

1.5. Share capital

The paid up equity share capital of the Company as on March 31, 2024 stood at ₹7,23,44,550 consisting of 72,34,455 fully paid-up equity shares of ₹10/- each.

1.6. Management Discussion & Analysis

The business of your Company is manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet. The analysis

on the performance of the industry, the Company, internal control systems, risk management are presented in the Management Discussion and Analysis report forming part of this report and provided in 'Annexure A'.

1.7. Subsidiaries, Associate and Joint Venture Companies

The Company does not have any subsidiary, associate or joint venture. There was no Company which has become or ceased to be Company's subsidiary, Joint venture or associate during the financial year 2023-24.

2. Board of Directors, Committees and Management

2.1. Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility 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 and a Finance Committee. The Corporate Governance Report given in 'Annexure D' 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 were the changes in the composition of Board of Directors and its Committees:

- a. Mr. L Ganesh (DIN:00012583), retired as Chairman of the Board, effective from close of business hours on March 31, 2024 and is continuing to serve on the Board, as a Non-Executive Director. The Board, appointed Mr. Harish Lakshman (DIN:00012602) as Chairman of the board, effective from April 01, 2024.
- b. Mr. Vikram Taranath Hosangady (DIN:09757469) was appointed as a Non-Executive and Non-Independent Director by the shareholders of the Company vide Postal Ballot Notice dated November 07, 2023 with effect from December 07, 2023 and he is liable to retire by rotation.
- c. Mr. Anil Kumar Venkat Epur (DIN:00202454), Independent Director ceased to be director consequent to his retirement as per the retirement policy of the Company w.e.f closure of Business hours on October 31, 2023. The Board placed on record its appreciation for his valuable advice and guidance rendered during her tenure.
- d. Ms. Vasudha Sundararaman (DIN:06609400) was appointed as an Independent Director by the shareholders of the Company at its 51st AGM held on July 25, 2023 for a term of 5 consecutive years with effect from May 04, 2023 upto May 03, 2028.

- e. Ms. Brinda Jagirdar (DIN:06979864) ceased to be the director on completion of her second term as Independent Directors of the Company w.e.f. closure of Business hours on July 22, 2023. The Board placed on record its appreciation for her valuable advice and guidance rendered during her tenure.

There were no other change in the composition of the Board of Directors during this year.

The Board of Directors are of the opinion that the Directors proposed for appointment / re-appointment at the ensuing 52nd AGM of the Company possess integrity, necessary expertise, relevant experience 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 under the Corporate Governance Section on the website of the company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Act and Regulation 25 and other applicable regulations of SEBI LODR, as amended from time to time. Further, in terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) and have passed the proficiency test, if applicable to them. The Board of Directors at its first meeting of the FY 2023-24 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. Ganesh Lakshminarayan (DIN:00012583) retires by rotation at the ensuing 52nd Annual General Meeting (AGM), being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Ganesh Lakshminarayan as a Director is included in the notice convening the 52nd AGM.

2.3. Board and Committee Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, six (6) Board Meetings were convened and held, the details of which are given in the Corporate Governance report. The gap between 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 annexed to this report of the Board. For eligible matters, if any, the Board / its Committees may also accord approvals through resolutions passed by circulation.

2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity, timeliness of flow of information between the management and the Board and review the performance of the Non-Independent Directors. The Independent Directors expressed that the current flow of information and contents were good which enabled them to perform their duties and that they are satisfied with the performance of Non-Independent Directors.

2.5. Board evaluation

The 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 formulated by the Nomination and Remuneration Committee.

To all the directors, a structured questionnaire was sent seeking feedback and any comments on various parameters as recommended by the Nomination and Remuneration Committee. As regards evaluation of the functioning of the Board as a whole, including Committee(s) thereof, key focus areas for evaluation were on aspects like 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 plan and guiding the management.

The performance of the Individual Directors, including Independent Directors were evaluated through peer evaluation. The performance of Chairman was also evaluated on countenances such as ensuring top-level policy framework, creating an open environment for exchange of views besides ensuring effective mechanism for implementing board action points.

In forming the evaluation criteria of Directors, attributes such as commitment, competency and sectoral knowledge, contributions to Board decisions and discussions and staying up to date on recent trends,

being aware of macrolevel developments and networking skills were considered.

The feedback on outcomes including comments / suggestions, along with action plans, if any, on matters requiring attention of the board were discussed by the Chairman.

The evaluation framework includes mechanism to share evaluation feedback on individual Directors to the Nomination and Remuneration Committee, wherever required.

The performance review of Non-Independent Directors were carried out by the Independent Directors in their separate meeting held during the year.

2.6. Familiarisation program for Independent Directors

The details of familiarisation program for Independent Directors have been disclosed under the Corporate Governance section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

2.7. Key Managerial Personnel & Senior Management Personnel

Mr. S Anand was appointed as Secretary, w.e.f. February 01, 2024 in place of Mr. Vivekanandaa M, Secretary who resigned from the services of the Company w.e.f the close of business hours on January 31, 2024.

As at the year ended March 31, 2024, Dr. S Rajkumar, President & Manager, Mr. V K Vijayaraghavan, Senior Vice President-Finance & Chief Financial Officer (CFO), Mr. S Anand, Secretary hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Companies Act, 2013.

During the year, there were no changes in Senior Management Personnel of the Company. The Senior Management Personnel other than KMP's were Mr. Venkat Raj S R (Marketing – Head), Mr. Navin Alocius J (Materials Management Department – Head) and Mr. Jaswanth Sharanarthy (HR Head).

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 of the Company to run 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 under the Corporate Governance section of the website of the Company at the web-link:

<https://ranegroup.com/investors/rane-engine-valve-limited/>. There has been no change in this policy during the financial year 2023-24.

The details of remuneration paid / payable to the Directors during the financial year 2023-24 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. Varma & Varma, Chartered Accountants (Varma & Varma) (Firm registration Number. 004532S) 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 50th Annual General Meeting (AGM) for the second term of five consecutive years i.e., from the conclusion of the 50th AGM (2022) till the conclusion of the 55th AGM (2027).

The Statutory Auditors report to the members for the year ended March 31, 2024 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

Pursuant to section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, at their meeting held on July 25, 2023, had appointed M/s. Jayaram & Associates, Cost Accountants, Cost Auditor of the Company for the financial year 2023-24 as per the recommendations of the Audit Committee, after obtaining necessary certificate under Section 141 of the Act conveying his eligibility for re-appointment. In terms of Section 148(3) of the Companies Act, 2013 the remuneration as fixed by the Board, based on the recommendation of the Audit Committee, is required to be ratified by the members at the AGM in terms of Section 148(3) of the Act. The notice convening the ensuing AGM includes the proposal for ratification of the remuneration payable to the Cost Auditor. The Company maintains all such accounts and records as specified by the Central Government under section 148 (1) of the Companies Act, 2013.

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 2023-24. 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 07, 2024. The report does not contain any qualification, reservation, adverse remark or disclaimer.

3.5. Internal Auditor

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals are the Internal Auditors appointed by the Board of Directors based on the recommendation of the Audit Committee.

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., 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 judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the 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 RPTs that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Related parties which requires approval of the shareholders / which may have potential conflict with the interest of the Company at large.

All RPTs 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 RPT are approved by the Independent Directors who are members of the Audit 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 has any pecuniary relationships or transactions with the Company. The policy as approved by the Board has been disclosed under the Corporate Governance section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions (except receipt of 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 of:

(a) Education; (b) Healthcare; (c) Community Development; and (d) Environment. The CSR policy of the Company has been disclosed under the Corporate Governance section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

Owing to the inadequacy of profits / loss during the immediately preceding three financial years, the Company was not required to spend towards CSR activities during FY 2023-24 as per Section 135 of the Companies Act, 2013 read with rules thereunder.

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

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, after 2014 the following to be included is available in 'Annexure C'.

8. Corporate Governance Report

The 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 D' to this report.

9. Particulars of Directors, Key Managerial Personnel and Employees

The details in terms of Section 197(12) of Companies Act, 2013 read with Rule 5 of the Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 is available in 'Annexure E' 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 said statement is available for inspection by the shareholders at the Registered Office of the Company during business hours.

10. Risk Management

The Company has laid down well-structured procedures for monitoring the Risk Management plan and implementing risk mitigation measures and it has been elaborately discussed under the Management Discussion and Analysis Report which forms part of the annual report.

11. Other disclosures

- a. Details of loan, guarantees and investments, if any, under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.
- b. The Internal control systems and their 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 under the Corporate Governance section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.
- e. The copy of the Annual Return is available under the Corporate Governance section of the website of the Company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.
- 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. Business Responsibility and Sustainability Reporting is not applicable for the year under review to the Company since it does not fall under the top 1000 listed companies based on market capitalization.
- 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 deposit 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 named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company. The policy which is also available on the intranet portal of the Company provides adequate safeguard against victimisation and for 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, harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee (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 year – Nil

No. of complaints disposed off during the year – Nil

No. of complaints pending as at end of the year – Nil

- l. In view of the exemptions available vide General circular 09/2023 dated September 25, 2023, issued by the Ministry of Corporate Affairs ("MCA") read

with previous circulars and SEBI Circular dated October 07, 2023, the Company will not be dispatching hard copies of the Annual Report to the shareholders. 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 hard copies of the Annual Report will be made available to those members who are specifically requesting for the same. electronic copies of the annual report and the notice convening the 52nd AGM would be sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

Annual General Meeting

- m. The 52nd AGM would be conducted through video conferencing or other audio visual means on Tuesday, July 23, 2024 at 14:00 hrs (IST), as per the framework notified by the Ministry of Corporate Affairs. The notice convening the 52nd AGM contains detailed instructions and notes in this regard.

Acknowledgement

We thank our Customers, Investors, Suppliers, Vendors, Bankers, Government, 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

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Chennai
May 07, 2024

Annexure A to the Report of the Board of Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

Rane Engine Valve Limited (REVL) is a manufacturer of engine valves, guides and tappets for Passenger Cars (PC), Commercial Vehicles (CV), Farm Tractors, Stationary Engines, Railway / Marine Engines and Two / Three wheelers. The Company operates in a single reportable business segment, viz. components for the internal combustion engine applicable for stationary and transportation engine applications.

2. Economic Review

2.1. Global Economy

The global economic growth is estimated to have slowed to 3.1% in 2023 mainly due to the negative impact of monetary policy tightening to curb inflationary pressures. The Eurozone grappled with diminished economic activity due to elevated interest rates aimed at curbing high inflation. China too witnessed economic headwinds due to stress in its real estate markets which exerted downward pressure on its growth trajectory. However, the emerging and developing economies as well as the US economy experienced better-than-expected growth led by resilient consumption, strong government spending and business investments. There was significant contraction in both manufacturing activity and international trade amidst sluggish global demand, largely influenced by tighter credit conditions that weighed on housing markets, investments, and overall economic activity. Despite these challenges, the concerted efforts to tighten policies led to steady decline in global inflation from its multidecade peak in 2022.

Global economic activity is expected to improve in the second half of 2024 after stagnating in the first half of the year resulting in flattish growth of 3.1% for the full year. US economy is expected to remain resilient on the back of decline in inflation and possibility of rate cuts, while Europe could face a period of stagnant growth. China is also expected to witness slower growth in 2024 due to ongoing real estate crisis placing additional drag on global growth. Global inflation is expected to moderate further on the back of tighter monetary policy and lower commodity prices. Central bank policy rates appear to have peaked in all major economies and the focus has shifted to expected rate cuts during the year. Key downside risks include the possibility of persistence of high inflation led by resilient demand and upward pressure on wages due to labour shortages which could mean fewer interest rate cuts and continuance of tighter monetary policy. Moreover, risk of higher commodity prices emanating from geo-political conflict including continued attacks in the Red Sea could also weigh on growth prospects. As such, policymakers find themselves

confronted with the dual challenge of bringing down inflation while simultaneously reviving growth. Nevertheless, the commitment of policymakers towards global economic stability through effective policy coordination, including monetary and fiscal measures is likely to accelerate growth prospects over the long term.

2.2. Indian Economy

The Indian economy has made notable strides over the past few years and in the process, it has overtaken the U.K. to become the world's fifth-largest economy. The local economy displayed remarkable resilience despite tighter monetary policy and global headwinds and emerged as the fastest-growing large economy witnessing growth of 7.8% in FY24 on the back of strong domestic demand and pick up in fixed investment driven by increased capital spending by the central and state governments. The country has managed to emerge stronger from global shocks led by flourishing consumer base and burgeoning middle class. Moreover, demographic dividend, improved financial access and investment in physical and digital infrastructure acted as catalyst for its resilience. Inflation continued its downward trajectory allowing policymakers to hold on to interest rates. Manufacturing, mining, and construction activity remained buoyant amidst decline in input costs and robust demand environment. Despite elevated interest rates, leading indicators such as Goods and Services Tax (GST) collection, e-way bills, Index of Industrial Production (IIP), credit growth, electricity consumption, automobile sales, etc. pointed to robust economic activity.

The Indian economy seems poised to continue its upward trajectory into the coming year, potentially maintaining its position as the fastest-growing major economy led by robust demand environment supported by strength in corporate and financial sector balance sheets, government spending in infrastructure, and the ongoing implementation of well-structured policy reforms. According to International Monetary Fund (IMF), growth rate in the Indian economy is expected to normalize at 6.8% in FY25 on the back of expectations of a normal monsoon and sustained momentum in manufacturing and services sector. Moreover, moderating inflation is likely to result in interest rate cuts providing further fillip to growth. Private consumption is expected to gather pace and private capex is likely to pick up in a sustained manner. India is also negotiating free trade agreements with the European Union, the UK, and the Gulf Cooperation Council which will enable the country to diversify its trade relations. However, persistent inflationary pressure resulting in higher interest rates, supply side disruptions due to geo-political tensions, higher oil prices, slowdown in public capex, and sluggishness in rural demand on

the back of deficient monsoon could dampen growth prospects.

3. Industry Review

3.1. Global Automobile Industry

The U.S. auto industry rebounded in 2023 and witnessed strong pick up in sales with many car companies reporting double-digit sales gains, marking a return to normalcy for a sector that has been on a roller coaster since the start of the pandemic. New-light vehicle sales increased by 12.4% YoY to 15.5 million units despite higher borrowing costs on the back of improving supply levels and higher incentives. Crossovers were once again the most popular segment in 2023, representing 47.9% of all new light vehicles sold. In 2023, Battery Electric Vehicle (BEV) sales topped 1.1 million units for the first time and made up 7.2% of all new light vehicles sold. The National Automobile Dealers Association (NADA) expects the U.S. new-vehicle sales to increase slightly to 15.9 million in 2024 as elevated interest rates and high price is expected to be offset somewhat by higher incentive spending by OEMs.

According to European Automobile Manufacturers' Association (ACEA), the European Union's (EU) car market experienced a robust growth of 13.9% over the previous year, resulting in a total annual volume of 10.5 million units, with the majority of markets witnessing significant double-digit increases. Petrol vehicles maintained their dominance with a market share of 35.3%, while hybrid-electric cars secured the second position, accounting for 25.8% of the market, followed by electric cars with 14.6% market share. The EU car sales growth is expected to slow to 2.5% reaching 10.7 million units in 2024 as constraints on household budgets on the back of high interest rates and tapering EV subsidies is likely to curtail meaningful demand, according to ACEA.

The global automotive industry reflected a complex interplay of innovation, resilience, and adaptation to a changing world and witnessed strong growth led by resilient demand and improving supply chain conditions. While the industry continued to pivot towards electrification, traditional Internal Combustion Engine (ICE) vehicles witnessed strong growth across all major geographies. Traditional automakers continued to accelerate their transition towards electric and autonomous vehicles, investing heavily in research and development to stay competitive in a rapidly evolving landscape.

The global automotive industry could face minor challenges in the form of sluggish consumer spending amidst tighter credit conditions, high car prices and weak global economic growth. EV sales could experience muted growth despite supportive government policies relating to tightening of emission due to tapering government incentives, limited charging infrastructure, and the saturation of early adopters. The growth of

the sector is likely to be shaped by a multitude of factors, including the adoption of electric vehicles, advancements in the production of high-capacity batteries, ramp up in installation of fast and ultra-fast charging infrastructure, introduction of autonomous vehicles, and deployment of 5G connectivity which is expected to unlock advanced connected car capabilities. Collaborations between Original Equipment Manufacturers (OEMs) and technology companies are poised to foster innovation and drive further growth in the automotive sector. However, ongoing geopolitical tensions, trade disputes, and environmental regulations could pose challenges, underscoring the industry's need for agility and adaptation in the face of evolving market dynamics.

3.2. Indian Automobile Industry

Despite external headwinds in the form of high interest rate environment, India's automotive sector remained resilient and displayed positive momentum marked by growth across all the segments, offtake in EVs, safety trends and a shift towards digitalisation. Stabilization in commodity prices, improving chip availability, robust economic activity and new model launches resulted in robust growth in the industry.

The Passenger Vehicle (PV) segment witnessed steady resurgence and growth on the back improving supplies of semiconductors, new models launches and positive customer and economy sentiment. Robust demand, easing semiconductor supply issues and strong offtake in the festive season led to volume growth of 7% in the PV segment. Utility vehicle (UV) segment saw significant migration of demand from entry level segment on the back of changing consumer preferences and flurry of new launches and continued to power the overall UV segment resulting in volume growth of 23% whereas the Passenger Car (PC) segment volume fell by 9% despite high discounts. Electric passenger vehicles continued to scale new highs as a result of increased product availability and reducing price parity.

Commercial Vehicle (CV) segment witnessed sluggish volume growth of 3% despite elevated freight rates and sustained freight demand supported by strong economic activity and growth in the manufacturing and infrastructure sector. The Medium and Heavy Commercial Vehicles (M & HCV) segment registered a growth of 3% supported by continued government infrastructure push and growth in core sectors. The Light Commercial Vehicles (LCV) segment reported volume growth of 3% led by growth in e-commerce and strong capital inflow in other end-user industries to improve logistics and last-mile connectivity pushing need for last mile connectivity.

Two-wheelers segment witnessed robust volume growth of 10% driven by a improved rural demand, the availability of a wide range of models and variants, and attractive financing options. Tractors volume declined by

8% on last year's high base due to erratic monsoon and weaker rural sentiment.

| Industry Segment (Production figures) | Growth in % (YoY change) | |
|----------------------------------------------|-----------------------------|------|
| | FY24 | FY23 |
| Vehicles | | |
| Passenger Cars (PC) | (9) | 18 |
| Utility Vehicles (UV) | 23 | 33 |
| Multi-Purpose Vans (MPV) | 3 | 23 |
| Passenger Vehicles (PV) | 7 | 25 |
| Light Commercial Vehicles (LCV) | 3 | 29 |
| Medium & Heavy Commercial Vehicles (M & HCV) | 3 | 37 |
| Commercial Vehicles (CV) | 3 | 28 |
| Farm Tractors (FT) | (8) | 11 |
| Two Wheelers (2W) | 10 | 10 |

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1. Domestic Market

The Company registered a 15% increase in the domestic market. The domestic market witnessed buoyancy across all segments in the Original Equipment Manufacturer (OEM) sales, registering a growth of 14% over the previous year. The aftermarket business of the Company registered a growth of 17%. The break-up of the domestic sales by market segment is given below:

| Market | (₹in crores) | | |
|--------------|---------------|---------------|-------------|
| | FY24 | FY23 | Growth in % |
| OEM | 314.78 | 277.16 | 14% |
| Aftermarket | 39.97 | 34.12 | 17% |
| Railways | 4.22 | 0.06 | 7395% |
| Defence | 4.33 | 4.12 | 5% |
| Total | 363.30 | 315.46 | 15% |

4.2. Exports

Export sales to OEM customers increased by 25% from ₹170.45 Crores to ₹192.71 Crores due to increase in off take by the customers. The Business development efforts of the Company in last couple of years and better performance of the plants helped achieve this.

The break-up of sales and growth by product applications for the Company is given below:

| Market | (₹in crores) | | |
|--------------------|---------------|---------------|-------------|
| | FY24 | FY23 | Growth in % |
| Automotive Engines | 384.80 | 344.07 | 12% |
| Other Engines | 171.20 | 141.84 | 21% |
| Total | 556.00 | 485.91 | 14% |

The new order book of the Company remains at ₹35 crores from domestic and export customers. This will be commercialized in the coming years commencing from FY25.

4.3. Operational and Financial Performance

4.3.1. Financial Review

- Revenue from Operations increased by 14% to ₹566.75 Crores in FY24 from ₹497.57 Crores in FY23.
- EBITDA increased to ₹50.31 Crores in FY24 from ₹36.22 Crores in FY23.
- Profit after Tax stood at ₹11.46 Crores for FY24 as compared to Loss after Tax of ₹0.06 Crores for FY23.

The Turnaround and Sustenance Plan started couple of years back is yielding results in operational efficiency, capacity realization, export growth and better cost management. This resulted in the Company improving operational profits significantly when compared to last year. Overall, the Company grew by 14% and the operating margins continued to improve significantly.

| Key Ratios | March 31, 2024 | March 31, 2023 | Remarks |
|---------------------------------|----------------|----------------|----------------------------------------------------------------------------------------------|
| Interest Coverage Ratio (turns) | 3.07 | 1.68 | Operational profits driven by topline growth during the year resulted in better performance. |
| Operating Profit Margin (%) | 5.52% | 3.40% | |
| Net Profit Margin (%) | 2.02% | (0.01)% | |
| Return on Net worth (%) | 10.15% | (0.06)% | |
| Return on Capital Employed (%) | 12.26% | 4.92% | |

The other ratios as required under Schedule III are disclosed in Note no. 40 to the Financial Statements.

4.3.2. Operations and Manufacturing Review

India has emerged as the top R&D hub for the world owing to its large scale engineering capabilities and availability of skilled manpower. The customers of the Company are leveraging the experience and capability of the Company's R&D in valve designs related to engines. In addition, the Company is continuing working with customers on several projects on alternate fuels including Hydrogen. The company is working with major OEM's on these new initiatives to cater to their requirements through development of customer oriented technology road map.

To expand business in non-EV and non-auto segments, R&D continues to proactively engage with customers to focus on EV-insulated segment.

Continued focus on productivity and quality improvements during the year yielded desired results. The capacity utilization in all the plants improved significantly in order to meet the increased demand across client segments. New product approvals from prestigious customers were received by the Company for series production in 2024-25. The efforts on infrastructure upgradation, capacity enhancement continued and mass production of sodium filled hollow valves commenced during 2023-24.

The Company possesses the following quality and environment management system accreditations:

- All plants are ISO 9001:2015 and IATF 16949:2016 certified.
- All plants are certified for EMS & OHS standards ISO 14001:2015 and ISO 45001:2018.
- Two plants (Trichy & Tumkur) have manufacturing lines certified for VDA 6.3.
- The Company has also been certified under ISO 27001:2013 for ISMS.

4.4. Pursuit of Business Excellence

The 'Business Excellence Model' through enhanced practice of Total Quality Management (TQM) enabled the Company to win customer accolades. The Company has won awards from the following customers during the year:

- Toyota Industries Engine India
- Daimler India Commercial Vehicles

4.5. Opportunities and Threats

The global Geo-Political situation has triggered customers to de-risk their supply chain and India is being looked as a global manufacturing hub for quality products. The industry is witnessing an extension of IC engines through alternate fuels (Eg. Gas, blended, Hydrogen) which is also being encouraged by the Indian Government.

Although, there are positive factors driving the demand environment, supply chain constraints and increase in logistics costs due to red sea issues could impact growth of the industry. Moreover, there is a drop in development of new engines by major OEMs across the world. The increase in electrification in certain markets including Europe resulted in freeing of capacities of competitors thereby increasing competition.

Your Company has devised strategies to expand share in the domestic market with identified customers in automotive segment and focus on EV insulated sales which includes the applications like power generations, stationary engines, marine, locomotives etc., In the Export Market, we will leverage the opportunity of sourcing from LCCs. You Company is also working on developing valves for fuel agnostic engines.

The automotive industry in India is poised for significant growth, driven by a multitude of factors. Accessible, affordable and transparent financing options, improving road infrastructure and increasing disposable income have been the major factors catapulting the growth of the auto industry in India. India's increasing adoption of electric vehicles is set to enhance the industry's influence, further establishing the nation as a prominent global automotive centre. Shifting consumer preferences,

increasing exports, and government support will be pivotal in shaping the future of the industry. The emerging trends and growing focus of automakers on integrating cutting-edge technologies in car manufacturing has opened up massive investment opportunities in the India auto sector. Significant technological strides in electric vehicles, autonomous driving, connectivity, the adoption of digital sales, and a strong emphasis on safety measures are anticipated to unlock vast opportunities for the industry.

Despite significant growth prospects, the industry is also confronted with a range of issues including logistics and supply chain disruptions, escalating energy costs, shortages in skilled labour, complex economic and political landscape, and growing expectations of an increasingly discerning and demanding consumer base, among others. Persisting high interest rate environment could impact affordability to some extent for potential buyers. These economic challenges present formidable obstacles for the automotive industry, necessitating strategic adaptation and resilience to navigate through turbulent times.

4.6. Outlook

The Indian automotive industry is likely to witness growth of 5-6% across segments with enhanced infrastructure spending post Union Budget, notwithstanding minor headwinds like general elections(India) in Q1. Adoption of Electric Vehicles (EVs) is expected to accelerate in the coming years as EV becomes more cost competitive backed by supportive government policies, enhanced charging infrastructure and consumer willingness to move towards clean and sustainable mobility solution. In addition, during 2024-25, the Company has revised its vision to include enhancement of product portfolio into non-ICE components, which has similar manufacturing process.

The automotive industry is poised for significant growth driven by several key factors. Foremost among these is the rapid adoption of new technologies, coupled with robust government support policies. With increasing awareness about environmental issues, there's a notable shift towards alternate fuel vehicles like CNG and EVs, which is expected to further boost sector growth. Moreover, factors such as rising per capita incomes, evolving demographic profiles, low vehicle penetration rates, and favourable policy environments, including infrastructure development, are all contributing to a steady rise in industry demand. However, potential challenges such as a global economic slowdown and higher interest rates could temporarily impact demand. Yet, the industry's ability to innovate and adapt will be pivotal as it continues to evolve, ensuring its resilience and sustained growth in the long run.

4.7. Scheme of Amalgamation

The Board of Directors of the Company at the meeting held on February 09, 2024 considered and approved the proposed scheme of amalgamation ("Scheme") of the Rane Engine Valve Limited (REVL) and Rane Brake Lining Limited (RBL) with and into Rane (Madras) Limited (RML) with effect from April 01, 2024. As per the Scheme, 9 (Nine) equity shares of Rs.10/- each of RML will be issued for every 20 (Twenty) equity shares of Rs.10/- each held in the Company. The Scheme is subject to the approval of shareholders and creditors of the respective companies, BSE Limited, The National Stock Exchange of India Limited, National Company Law Tribunal and such other approvals as may be required.

The proposed Scheme of Amalgamation aims to simplify the group structure, align shareholder interests, enhance operational efficiency, and diversify product offerings. Consolidating under a single listed entity will facilitate coordinated business management, achieve synergies in revenue and costs, optimize resources, and improve access to capital for growth opportunities. Additionally, it will enable a unified approach in customer engagement, supply chain management, and administration functions, while leveraging combined human capital for improved organizational capability and leadership.

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 | Industry / Market Risk | 65% of revenue is derived from the Indian automotive sector. Hence, any drop in vehicle production will have a Significant impact on the Company's business. | The Company constantly strives to: <ol style="list-style-type: none"> Increase revenue from international markets (outside of India). Add new products to increase organic revenue and diversify customers across vehicle segments. Look for opportunities in the non-automotive segments such as Defence, Railways, etc. |
| | Technology Obsolescence Risk | In short-term Indian auto industry is moving towards multi fuel technology to reduce cost of ownership and emission. In mid to long term, OEMs are pursuing electrification of their products. | The Company has consistently delivered cutting-edge technology products with enhanced R&D capabilities, localisation of testing and validation capabilities. This is enabling the Company to work closely with customers for multi fuel compatible products. The Company has laid out strategy to expand its portfolio of EV insulated business |
| | Competition | Maintaining market share in the competitive market and availability of unorganized players further pose challenges. | The Company's long-standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. The Company periodically conducts customer surveys to understand customer feedback and works in furthering its relationship with the customers. |
| 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 risk. |
| | People Risk | Attrition of key personnel could impact business operations and growth. | The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop a strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent. |

| | Risk | Nature of Risk | Risk Mitigation Strategies |
|-------------|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operational | Raw Material (Input) Price Risk | Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin. | The Company constantly strives to mitigate the input cost increases by: <ul style="list-style-type: none"> a) Implementing a procurement function that will work on cost reduction initiatives through alternate sourcing, localisation, etc. b) Negotiating and passing through input cost, which increases suitably, to the customers c) Working on process improvements, yield improvements, etc. |
| Financial | Currency Risk | The Company is exposed to foreign currency exchange risk as it exports its products to various countries and imports raw materials. | The Company uses a multi-pronged approach as suitable to the scenarios. It includes: <ul style="list-style-type: none"> a) Optimally balancing the import and export to create natural hedge. b) Working with customer-to-index prices to mitigate currency fluctuations. c) Taking simple forwards on a rolling basis to protect its export 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: <ul style="list-style-type: none"> a) Maintaining optimal debt-equity levels. b) Using internal accruals to fund expansion. c) Constantly optimizing working capital to reduce interest costs. |

6. Human Resource Development and Industrial relations

6.1. Talent Development Initiatives

In FY 2023-24, the Company focused on the following talent development initiatives:

Leadership Development

6.1.1. Leadership Boot Camp (LBC)

Group level mandatory internship scheme was introduced wherein the identified entry level graduates were on-boarded as interns before joining as trainees in order to provide real work experiences. 60 entry level graduates (GET/MT/PGET) joined us as part of our entry level talent hunt and underwent the LBC journey. LBC focuses on supporting the transition from campus to corporate and has a blend of technical and soft skills programs, plant visits, on-the-job training, cross functional exposures and interactions with business leaders.

6.1.2. 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 seventh batch with 2 participants underwent 5 days of classroom sessions across 3 modules facilitated by Shri Dharmasthala Manjunatheshwara Institute for Management Development (SDMIMD). They also had interactive session with business leaders who shared their insights and experiences on leadership effectiveness.

As part of the ongoing learning engagement journey, YLD participants from earlier batches underwent a two-day workshop on strategy and finance facilitated by a reputed B school in Chennai. The workshop was curated with the objective of enhancing their business understanding through Rane specific case studies. Participants presented their solutions to the case studies by drawing insights from various modules to a panel of business leaders and interacted with them on the approach and strategy for the case study.

6.1.3. High Potential Leadership Development (HPLD)

The objective of HPLD is to build leadership competencies of high potential talent and strengthen the leadership pipeline. 5 participants underwent a customised residential program titled TOP GEAR (Transforming Organization and Profitability through Growth, Engagement, Actions, Results) at Great Lakes Institute of Management (GLIM), Chennai. TOP GEAR enables participants to understand their potential and the shifts required to be future ready. The participants showcased their action learning projects to Business Heads along with Dr. Suresh Srinivasan, GLIM, who shared their insights on the projects and felicitated the participants.

As part of the HPLD design, the participants underwent an outbound experiential assessment and development centre at Pegasus Institute, Pondicherry. The outbound had continuous feedback assessments that helped them to have easy acceptance of feedback and concrete developmental takeaways.

6.1.4. Rane Manufacturing Systems Professionals (RMSP)

RMSP was originally launched in June 2017 to 'Build Manufacturing Capability' among junior & middle managers in Manufacturing, Manufacturing Engineering, Quality Assurance and Plant Engineering functions. RMSP 4.0 was refreshed and rolled out in June 2023 with the objective of "enhancing manufacturing capability through technical proficiency for significant improvement in plant performance". The enhanced version of the program has two streams, Basic stream and Advance stream and places emphasis on learners, enabling role-based development for significant improvement in plant performance.

6.2. Learning digital journey

To enable anytime anywhere access, the Learning Management System (LMS) was refreshed and transitioned to cloud and the Rane LMS app was rolled out. Some of the salient features of the app include workflows to self-enrol for programs, track and review Individual Learning and Development Plan progress and view real time dashboards. Further the L&D leaderboard was introduced to elevate learner engagement by recognising individuals as learning champion(s) and managers as enabling champion(s) based on milestones and metrics. The 'Digital Library' was enhanced with over 100 resources in the form of articles, e-books, podcasts, videos on self-leadership, people leadership, wellness, office productivity and technical processes.

e-learning courses were rolled out in the mobile platform including course on governance and road safety awareness. Employees were also encouraged to pursue online courses through the SWAYAM platform, a ministry of HRD initiative with a sponsorship for certification for up to 3 courses in a year.

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 as 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. Rane Group has been participating in the survey for over 15 years and using the findings to elevate the employee engagement and experiences. REVL was certified with GPTW 3 times in 4 years.

6.4. Wellness at Rane

Rane Group is committed to promoting a healthy and positive work environment for its employees. A wellness app was launched in partnership with The Wellness Corner which provides holistic wellness solutions to prioritize the health and well-being of the employees. Through this initiative, employees are encouraged to participate in multiple challenges and that help in adopting healthy habits like regular exercise and mindful eating. Through various initiatives such as wellness workshops, mental health support and financial wellness programs, the Company aims to empower the employees to lead balanced and fulfilling lives.

Wellbeing of our employees are prioritized through robust HSE (Health, Safety and Environment) practices, including ergonomic assessments, to ensure that the workspaces are optimized for comfort and productivity.

Rane Premier League (RPL) is one such event to celebrate the togetherness and also craft a workplace wellness. RPL, a cricket tournament was held among the group entities of Rane Companies nominated best cricketers who were enthusiastic to bring home the trophy. RPL 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, 144 employees from the Rane Group participated in the Chennai Marathon.

6.5. Women empowerment at Rane

Towards our commitment to empower women in the workplace, Rane Group launched Women at Work (W@W) Group. This group aims to build a community of "Engaged, Enthused and Empowered" women in supporting their career aspirations while effectively managing the demands of their evolving life circumstances. W@W group will be mentored by an executive coach. The format will be one-on-one and group sessions that will serve as a valuable platform for women within the organization to connect, share experiences, and access resources aimed at advancing their professional development.

6.6. Industrial Relations

The industrial relations were generally cordial in all the plants. The group level industrial relations council works towards the objective of creating a healthy working environment by promoting peace and harmony 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. Internal Control Systems

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

The internal audit function is carried through a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve the annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting.

The internal audit findings are placed before the Audit Committee at each of its quarterly meetings for review.

The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of the internal control system and compliance with laws and regulations including resource utilization and system efficacy.

8. Cautionary Statement

The information and opinions 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.

For and on behalf of the Board

Chennai
May 07, 2024

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Annexure B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2024

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 Engine Valve Limited
 [CIN: L74999TN1972PLC006127]
 "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 ENGINE VALVE LIMITED** ('the Company') during the financial year from April 1, 2023 to March 31, 2024 ('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, 2024, 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, 2024, 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 following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'); and
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
 - (v) 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').
 - (vi) 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, 2024, 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 (iii) above.

- (ii) The Company has generally complied with the applicable provisions of the SEBI Regulations and Listing Agreements, mentioned in paragraph 1.1 (iv) and (v) 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 (vi) 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:
- Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - 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;
 - The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - 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.
- (a) 2 (two) Non-Executive Non-Independent Directors; and
- (b) 4 (four) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) As on March 31, 2024, the Board of Directors of the Company comprises of:
- 3 (three) Non-Executive Non-Independent Directors; and
 - 3 (three) Independent Directors, including 1 (one) Independent Woman Director.
- During the year, 2 (two) Independent Directors retired, and 1 (one) Independent Director and 1 (one) Non-Executive Non-Independent Director were appointed, as detailed in Clause (v) below.
- (iv) 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).
- (v) The process relating to the following changes in composition of the Board of Directors during the year, were carried out in compliance with the applicable provisions of the Act and SEBI LODR:
- Re-appointment of Mr. Harish Lakshman (DIN:00012602) as a Director, upon retirement by rotation at the 51st Annual General Meeting held on July 25, 2023.
 - Appointment of Ms. Vasudha Sundararaman (DIN:06609400) as an Additional Director in the category of Non-Executive Independent Director effective from May 4, 2023, and approval of her appointment as an Independent Director, not liable to retire by rotation, at the 51st Annual General Meeting held on July 25, 2023, by way of a Special resolution, to hold office for a term of 5 (five) consecutive years from May 4, 2023 upto May 3, 2028, in accordance with the policy of the Company applicable to the Board of Directors from time to time.
 - Retirement of Dr. Brinda Jagirdar (DIN:06979864) as a Non-Executive Independent Director, upon completion of her second term as an Independent Director, effective from the close of business hours on July 22, 2023.

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, 2023, the Board of Directors of the Company comprised of:

The Company was not required to appoint a new Independent Director in the vacancy created by such retirement, since it had appointed a new Independent Director effective from May 4, 2023, as detailed in sub-clause (b) above, and accordingly fulfilled the requirement of the minimum number of Independent Directors on its Board of Directors even without making such appointment.

- (d) Appointment of Mr. Vikram Taranath Hosangady (DIN:09757469) as an Additional Director in the category of Non-Executive Non-Independent Director, effective from October 31, 2023, and his appointment as a Non-Executive Non-Independent Director, liable to retirement by rotation, by way of an ordinary resolution passed through postal ballot process on December 7, 2023.
- (e) Retirement of Mr. Anil Kumar Venkat Epur (DIN:00202454) as a Non-Executive Independent Director, effective from close of business hours on October 31, 2023, in accordance with 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. The Company also fulfilled the requirement of minimum number of directors on its Board of Directors in terms of Regulation 17(1)(c) of SEBI LODR, without making such appointment, in view of the appointment of a new Non-Executive Non-Independent Director effective from October 31, 2023, as detailed in sub-clause (d) above.

- (f) Retirement of Mr. Ganesh Lakshminarayan (DIN:00012583) as the Chairman of the Board, effective from close of business hours on March 31, 2024, and his re-designation as Non-Executive and Non-Independent Director, with effect from April 1, 2024, as noted at the Board meeting held on March 19, 2024.
- (g) Appointment of Mr. Harish Lakshman (DIN:00012602) as the Chairman of the Board, and his re-designation as Chairman, Non-Executive and Non-Independent Director, with effect from April 1, 2024, as approved at the Board meeting held on March 19, 2024.

2.2. Board meetings

- (i) Adequate notice was given to all the directors to enable them to plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of directors as required under SS-1:
- (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and

- (b) Additional subjects / information / presentations and supplementary notes.

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

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

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that:

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

(A) Preferential issue of Equity shares to Rane Holdings Limited

The Finance Committee of the Board of Directors of the Company at their meeting held on June 27, 2023, issued and allotted 1,71,821 Equity shares of Rs.10/- each, fully paid-up, for cash, at an issue price of Rs.291/- per Equity share, aggregating to Rs.4,99,99,911/- to Rane Holdings Limited (RHL), Promoter and Holding Company, pursuant to conversion of the balance 1,71,821 convertible warrants out of the 5,15,463 convertible warrants issued and allotted on March 8, 2022, upon the receipt of warrant exercise price of Rs.218.25/- per warrant (being the balance 75% of the issue price of Rs.291/- per Equity share) aggregating to Rs.3,74,99,933.25/-.

Consequent to the allotment, the shareholding of RHL in the Company increased from 40,45,130 Equity shares of Rs.10/- each, fully paid-up (57.28%) to 42,16,951 Equity shares of Rs.10/- each, fully paid-up (58.29%); and the paid-up share capital of the Company increased from 70,62,634 Equity shares of Rs.10/- each, fully paid-up, to 72,34,455 Equity shares of Rs.10/- each, fully paid-up.

(B) Scheme of Amalgamation of the Company with and into Rane (Madras) Limited

The Board of Directors of Rane Engine Valve Limited ('the Company') at its meeting held on February 9, 2024,

based on recommendations of the Audit Committee and Committee of Independent Directors, approved **Scheme of Amalgamation** of Rane Engine Valve Limited ("REVL" / "Transferor Company 1") and Rane Brake Lining Limited ("RBL" / "Transferor Company 2") **with and into Rane (Madras) Limited** ("RML" / "Transferee Company") and their respective shareholders, in terms of the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and relevant circulars issued by SEBI, and other applicable laws, rules and regulations ('Scheme').

Share exchange ratio for the Scheme is as follows:

For Transferor Company 1 (REVL): **9 (nine) Equity shares of RML** having face value of INR 10 (Rupees ten only) each, fully paid-up, shall be issued for **every 20 (twenty) Equity shares held in REVL** having face value of INR 10 (Rupees ten only) each, fully paid-up.

For Transferor Company 2 (RBL): **21 (twenty-one) Equity shares of RML** having face value of INR 10 (Rupees ten only) each, fully paid-up, shall be issued for **every 20**

(twenty) Equity shares held in RBL having face value of INR 10 (Rupees ten only) each, fully paid-up.

The Scheme is subject to the approval of the shareholders, creditors, stock exchanges (BSE Limited and National Stock Exchange of India Limited), National Company Law Tribunal and such other approvals as may be required.

Upon the Scheme of Amalgamation becoming effective, **REVL and RBL shall stand automatically dissolved without winding-up.**

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

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

Sharanya Sriram
Partner

Membership No.: **F10252**
Certificate of Practice No.: **12731**
UDIN: **F010252F000322707**

Place: Chennai
Date: **May 7, 2024**

Annexure – A to Secretarial Audit Report of even date

To the Members of
Rane Engine Valve Limited
 [CIN: L74999TN1972PLC006127]
 "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, 2024, 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, 2024, but before the issue of this report; and
- (c) Notifications / Circulars issued by the Ministry of Corporate Affairs (MCA) / the Securities and Exchange Board of India (SEBI), 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]

Sharanya Sriram
 Partner

Membership No.: F10252

Certificate of Practice No.: 12731

UDIN: F010252F000322707

Place: Chennai

Date: May 7, 2024

Annexure C 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 of energy

- 39 energy saving projects have been implemented.
- 4,28,014 units (kwh) have been saved through these energy saving projects.
- ₹38,52,126/- has been saved through energy saving measures.

Steps taken for utilising alternate sources of energy

The Company makes use of wind and solar energy and approximately 1,30,25,790 units (kwh) have been utilized during the year.

Capital investment in energy conservation equipment

- During the year, the Company invested ₹0.72 Crores for sourcing renewable energy under group captive scheme.

B. Technology Absorption

Efforts made towards technology absorption

- Working with Indian OEM's for smooth transition to BS VI (OBD 2), CAFÉ II norms and adaptation for flex fuels.
- Continued to provide solutions for EV insulated segments in line with Company strategy for better penetration in these markets.
- Automation and integration of valve testing equipment introduced on pilot basis.

Benefits derived like product improvement, cost reduction, product development or import substitution

- Made significant progress with EV insulated segments.

- Value Engineering proposals have increased with alternate source identification.
- New Product Development turnaround time has been improved.
- First source with newer technologies to Indian OEM's.

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2023-24)

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

Research and Development expenditure incurred

(₹ in Crores)

| Sl. No. | Particulars | 2023-24 | 2022-23 |
|---------|--------------------------------------------------------|-------------|-------------|
| A | Capital expenditure | 0.33 | 2.07 |
| B | Recurring expenditure | 2.45 | 2.33 |
| C | Total | 2.78 | 4.40 |
| D | Total R & D expenses as a percentage of total turnover | 0.49% | 0.88% |

C. Foreign Exchange Earnings and Outgo

(₹ in Crores)

| Foreign Exchange | 2023-24 | 2022-23 |
|------------------|---------|---------|
| Earnings | 192.71 | 170.45 |
| Outgo | 59.38 | 53.90 |

For and on behalf of the Board

Chennai
May 07, 2024

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

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

The Company 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 Behaviour – RANE COMPASS.

2. Board of Directors

Composition, Attendance & Meetings

As on March 31, 2024, the Board comprises of six (6) Non-Executive Directors with more than 50% of them being Independent Directors. The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. There is one (1) Woman Director on the Board, who is also an Independent Director. The

composition of the Board is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner and the composition of the Board as at end of FY 2023-24, is in conformity to 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 Director in more than seven (7) listed companies and not more than three (3) listed companies, in case he is a whole-time Director in a listed company. 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 2023-24, the Board of Directors met six (6) times on May 04, 2023, July 25, 2023, October 31, 2023, January 31, 2024, February 09, 2024 and March 19, 2024 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 Directorship(s) and Committee membership / Chairman position(s) held by them in other public companies as on March 31, 2024 are given below:

| Name of the Director / (DIN) | Category | No. of Board meetings attended | Attendance at the last AGM (July 25, 2023) | Number of Directorship in other public companies ¹ | | Number of Committees Membership ² | |
|-------------------------------------------------------|-----------------------------------------|--------------------------------|--------------------------------------------|---------------------------------------------------------------|--------|----------------------------------------------|--------|
| | | | | Chairperson | Member | Chairperson | Member |
| Mr. L Ganesh (00012583) ³ | Chairman, Non-Executive & Promoter | 6 | Yes | 3 | 4 | 1 | 6 |
| Mr. Harish Lakshman (00012602) ⁴ | Vice Chairman, Non-Executive & Promoter | 6 | Yes | - | 5 | 2 | 4 |
| Mr. N Ramesh Rajan (01628318) | Non-Executive & Independent | 6 | Yes | 1 | 5 | 4 | 6 |
| Ms. Vasudha Sundararaman (06609400) ⁵ | Non-Executive & Independent | 6 | Yes | - | 2 | - | 2 |
| Mr. Pradip Kumar Bishnoi (00732640) | Non-Executive & Independent | 6 | Yes | - | 3 | - | 5 |
| Mr. Vikram Taranath Hosangady (09757469) ⁶ | Non-Executive & Non - Independent | 4 | NA | - | 4 | - | 1 |

Notes:

- Excludes Directorships held on the Boards of private Companies, Section 8 Companies, debt listed companies and Companies incorporated outside India.
- Membership in Audit Committee and Stakeholder Relationship Committee of other public companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as chairperson of the Committee.
- Mr. L Ganesh, Non-Executive Director, retired as Chairman w.e.f close of business hours on March 31, 2024.

4. Mr. Harish Lakshman, Non-Executive Director, was appointed as Chairman w.e.f April 01, 2024.
5. Ms. Vasudha Sundararaman (DIN:06609400) was inducted as a member to the Board w.e.f May 04, 2023 and was approved by the shareholders at the Annual General Meeting held on July 25, 2023.
6. Mr. Vikram Taranath Hosangady (DIN:09757469) was inducted as a member to the Board after conclusion of the postal ballot exercise held on December 07, 2023.
7. Mr. Anil Kumar Venkat Epur (DIN:00202454) consequent to his retirement as per the retirement policy of the Company, ceased to be a director of the Company w.e.f closure of Business hours on October 31, 2023. During the year, he attended three (3) Board meeting held on May 04, 2023, July 25, 2023 and October 31, 2023 respectively and the Annual General Meeting of the Company held on July 25, 2023.
8. Dr. Brinda Jagirdar (DIN:06979864), Director, consequent to the completion of her second term, ceased to be the Director of the Company w.e.f closure of Business hours on July 22, 2023. During the year, she attended one (1) Board meeting held on May 04, 2023.

The details of Directorships held in other listed entities as on March 31, 2024 are as under:

| Name of Director | Name of the listed entity | Category of Directorship |
|-------------------------------|----------------------------------------------------|----------------------------------------------------|
| Mr. L Ganesh | Rane (Madras) Limited | Chairman & Non-Executive & Promoter |
| | Rane Brake Lining Limited | Chairman & Non-Executive & Promoter |
| | Rane Holdings Limited | Chairman & Managing Director & Promoter |
| | Sundaram Finance Limited | Non-Executive & Independent |
| Mr. Harish Lakshman | Rane (Madras) Limited | Vice Chairman & Non-Executive & Promoter |
| | Rane Brake Lining Limited | Non-Executive & Promoter |
| | Rane Holdings Limited | Vice-Chairman & Joint-Managing Director & Promoter |
| | The K C P Limited | Non-Executive & Independent |
| Ms. Vasudha Sundararaman | Oriental Hotels Limited | Non-Executive & Independent |
| | Cholamandalam Financial Holdings Limited | Non-Executive & Independent |
| | Rane (Madras) Limited | Non-Executive & Independent |
| Mr. N Ramesh Rajan | Rane (Madras) Limited | Non-Executive & Independent |
| | TTK Healthcare Limited | Non-Executive & Independent |
| | Indo-National Limited | Chairman & Non-Executive & Independent |
| | Cholamandalam Investment & Finance Company Limited | Non-Executive & Independent |
| Mr. Pradip Kumar Bishnoi | Rane Holdings Limited | Non-Executive & Independent |
| | Rane (Madras) Limited | Non-Executive & Independent |
| | Avadh Sugar & Energy Limited | Non-Executive & Independent |
| Mr. Vikram Taranath Hosangady | Rane (Madras) Limited | Non-Executive & Non-Independent |
| | MRF Limited | Non-Executive & Independent |
| | Chemplast Sanmar Limited | Non-Executive & Non-Independent |
| | Bajaj Electricals 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 of 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 meeting(s) was circulated in advance to the Directors. The detailed agenda, setting out the business to be transacted at the meeting(s), supported by notes and presentations and action taken reports from previous meetings was circulated through e-mail and web-based application to the Directors, to enable them to effectively participate in discussions. Minutes of meeting(s) were circulated in a similar manner and comments of Directors, if any, were incorporated with the permission of the Chairman. Post Board meeting, reviews were held by the

Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management. Action taken on matters discussed at previous meeting(s).

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 / re-appointment of Independent Directors have also been disclosed in the website of the Company at www.ranegroup.com. In case of resignation of a Director before the expiry of his term, the Company obtains a formal

resignation letter requiring detailing of reasons for resignation and the same is furnished to the stock exchanges. However, there was no instance of resignation during the year.

Presentations on business and performance updates of the Company, global business environment and business strategy are made to the Board and the Committee members. The details of familiarization programme for the independent Directors are disclosed under the Corporate Governance Section on the Investor's page at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

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 / competencies identified by the Board in the context of the automotive business in which the Company operates, for it to function effectively are inter-alia as follows:

| Areas / Fields | Skills / Competence / Expertise | 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. Vikram Taranath Hosangady Mr. Pradip Kumar Bishnoi Mr. N Ramesh Rajan |
| 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. Vikram Taranath Hosangady Mr. Pradip Kumar Bishnoi Mr. N Ramesh Rajan |
| 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. Vikram Taranath Hosangady Mr. Pradip Kumar Bishnoi Mr. N Ramesh Rajan |

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met five (5) times during the year May 04, 2023, July 25, 2023, October 31, 2023, January 31, 2024 and February 09, 2024 with requisite quorum present throughout the meetings. The details of members and their attendance as on March 31, 2024 are as below:

| Name of the Director | Category | No. of meetings attended |
|--------------------------|-----------------------------------------------|--------------------------|
| Mr. N Ramesh Rajan | Chairman, Non - Executive & Independent | 5 |
| Mr. L Ganesh | Member, Non - Executive & Promoter | 5 |
| Mr. Pradip Kumar Bishnoi | Member, Non - Executive & Independent | 4 |

Note:

- Mr. Pradip Kumar Bishnoi was inducted as Member of the Committee respectively with effect from May 05, 2023.
- Dr. Brinda Jagirdar (DIN:06979864) ceased to be member of the Committee with effect from July 22, 2023. During the year, she attended one (1) meeting of the Committee held on May 04, 2023.
- Mr. Anil Kumar Venkat Epur (DIN:00202454) ceased to be member of the Committee with effect from October 31, 2023. During the year, he attended three (3) meeting of the Committee held on May 04, 2023, July 25, 2023 and October 31, 2023 respectively.

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 in the meetings on invitation. The Manager and Senior Vice President (Finance) & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on July 25, 2023.

Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 (Act) and other applicable provisions of SEBI LODR and 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 financial statements with statutory auditors and management before submission to the Board.
- Review Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review Internal audit function, internal audit reports relating to internal control weaknesses and functioning of the whistle blower mechanism and prohibition of insider trading.
- Evaluation of internal financial controls and risk management systems.
- Review Management discussion and analysis of financial condition, results of operation.
- Review 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, material modifications 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 judgment by management and significant adjustments made in the financial statements arising out of the audit findings.
- Review Valuation of undertakings or assets of the company, as and when required.
- Review / Approve Financial statements, in particular, the investments made by any unlisted subsidiary of the Company.
- Utilization of loans and / or advances from / investment by the company to its subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments.
- Recommending appointment and remuneration of Auditors and CFO.
- Discuss the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditor / Internal Auditor.
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the Statutory Auditor of the Company. The Statutory Auditor is eligible to issue a 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 transaction and interest, including value per transaction, nature of transaction, basis, valuation, justification and material terms of the proposed transactions, their frequency, value as a percentage of turnover, 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 findings of internal audit and risk assessment framework.
- reviewed the performance and effectiveness of M/s. Varma & Varma as Statutory Auditors of the Company.
- Recommended the re-appointment of M/s. Capri Assurance & Advisory Services, as Internal Auditor for the for the period July 01, 2023 to June 30, 2024.

- Recommended to the Board, the draft Scheme of Amalgamation of Rane Engine Valve Limited and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder after considering the rationale, salient features of the scheme and benefits, the Valuation Report, the Fairness Opinion and other documents.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met four (4) times during the year May 04, 2023, July 07, 2023, October 31, 2023 and January 31, 2024 with requisite quorum present throughout the meetings. The details of members as on March 31, 2024 and their attendance are as below:

| Name of the Director | Category | No. of meetings attended |
|--------------------------|---------------------------------------------|--------------------------|
| Mr. Pradip Kumar Bishnoi | Chairman, Non-Executive & Independent | 3 |
| Mr. Harish Lakshman | Member, Non-Executive & Promoter | 4 |
| Ms. Vasudha Sundararaman | Member, Non-Executive & Independent | 1 |

Note:

- Mr. Pradip Kumar Bishnoi was inducted as Member of the Committee respectively with effect from May 04, 2023.
- Dr. Brinda Jagirdar (DIN:06979864) ceased to be member of the Committee with effect from July 22, 2023. During the year, she attended two (2) meeting of the Committee held on May 04, 2023 and July 07, 2023 respectively.
- Mr. Anil Kumar Venkat Epur (DIN:00202454) ceased to be member of the Committee with effect from October 31, 2023. During the year, he attended three (3) meeting of the Committee held on May 04, 2023, July 07, 2023 and October 31, 2023 respectively.
- Ms. Vasudha Sundararaman was inducted as Member of the Committee respectively with effect from November 01, 2023.

Overall purpose and terms of reference

The brief of terms of reference and roles 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 consider the balance of skills, knowledge and experience required for identifying the role and capabilities gap in the Board, select candidates based on evaluation criteria such as wide range

of background, diversity, time commitments, etc., and recommend the candidate to the Board for appointment / reappointment as an independent director. For this, if required, NRC may also use the services of external agencies.

- 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.
- 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 and removal and to specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either internally by the NRC / by the Board or by an independent external agency and review its implementation and compliance.
- To consider and recommend professional indemnity and liability insurance for Directors, KMPs and SMPs.
- To recommend to the board, all remuneration, in whatever form, payable to senior management.

During the year, the NRC, inter alia:

- Considered and recommended the appointment of Ms. Vasudha Sundararaman as an Independent Director.
- Reviewed & approved the compensation benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of the Company.
- Considered and recommended the appointment of Mr. Vikram Taranath Hosangady as Non-Executive and Non-Independent Director.
- Reviewed and recommended the process of evaluation of Board, its Committees and Directors.
- Considered and recommended the appointment of Company Secretary, Key Managerial Personnel (KMP).

During the year under review, the Board amended the Nomination and Remuneration Committee Charter to cover specific functions identified across the Company viz., Marketing, Materials & Manufacturing, Human Resource and Operations in accordance with SEBI (LODR) Amendment Regulations, 2023.

Remuneration Policy

The policy on appointment and remuneration of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available under the Corporate Governance section on the website of the Company at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>. 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 Director receive sitting fee as remuneration for attending the Board and Committee meetings.

Sitting fees

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

| Type of Meeting | Sitting Fees Per meeting (in ₹) |
|-------------------------------------|---------------------------------|
| Board | 20,000 |
| Audit Committee | 20,000 |
| Stakeholders Relationship Committee | 2,500 |
| Finance Committee | 2,500 |

Details of Sitting Fees paid to Directors

Apart from sitting fees, the Company has not paid any other remuneration to Directors. The details of sitting fees paid to the Directors during the financial year and their shareholding in the Company as at the year ended March 31, 2024 are as follows:

| Name of the Director | Sitting Fees (in ₹) | Shares held as on March 31, 2024 |
|-------------------------------|---------------------|----------------------------------|
| Mr. L Ganesh | 2,32,500 | 135 |
| Mr. Harish Lakshman | 1,27,500 | 100 |
| Mr. N Ramesh Rajan | 2,20,000 | - |
| Mr. Pradip Kumar Bishnoi | 2,00,000 | - |
| Dr. Brinda Jagirdar | 42,500 | - |
| Mr. Anil Kumar Venkat Epur | 1,25,000 | - |
| Mr. Vikram Taranath Hosangady | 80,000 | - |
| Ms. Vasudha Sundararaman | 1,22,500 | - |

Note:

- Shareholding includes joint holdings & HUF, if any
- 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.
- During the year, Dr. Brinda Jagirdar and Mr. Anil Kumar Venkat Epur were paid sitting fees of ₹42,500 and ₹1,25,000 each respectively. They ceased to be the Directors with effect from July 22, 2023 and October 31, 2023 respectively.

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. During the year, the Committee met two (2) times on May 04, 2023 and October 31, 2023 with requisite quorum present throughout the meetings. The details of members and their attendance as on March 31, 2024 are stated below:

| Name of the Director | Category | No. of meetings attended |
|-------------------------------|-----------------------------------------|--------------------------|
| Mr. L Ganesh | Chairman, Non - Executive & Promoter | 2 |
| Ms. Vasudha Sundararaman | Member, Non-Executive & Independent | 1 |
| Mr. Vikram Taranath Hosangady | Member, Non-Executive & Non-Independent | - |

Note:

- Dr. Brinda Jagirdar (DIN:06979864) ceased to be member of the Committee with effect from July 22, 2023. During the year, she attended one (1) meeting of the Committee held on May 04, 2023.
- Ms. Vasudha Sundararaman was inducted as Member of the Committee with effect from May 04, 2023.
- Mr. Anil Kumar Venkat Epur (DIN:00202454) ceased to be member of the Committee with effect from October 31, 2023. During the year, he attended two (2) meeting of the Committee held on May 04, 2023 and October 31, 2023 respectively.
- Mr. Vikram Taranath Hosangady (DIN:09574769) was inducted as Member of the Committee with effect from November 01, 2023.

Overall purpose and terms of reference

The terms of reference and roles of the SRC are framed in line with 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, there were no investor complaints received and remaining unresolved at the end of the financial year 2023-24. The Chairman of the SRC was present at the last AGM of the Company held on July 25, 2023 to answer queries of the security holders.

The SRC during the year reviewed:

- The investor complaints / queries received and redressed.
- The measures taken for effective exercise of voting rights by shareholders at the AGM, wherein the Company engaged CDSL for providing remote e-voting facilities.
- Various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the company.
- The Internal Audit Report for FY 2022-23 on Integrated Registry Management Services Private Limited (RTA) carried out by Practicing Company Secretary in line with the SEBI Circular for the dated April 20, 2018.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Environment and Community Development are the four focus areas under Corporate Social Responsibility (CSR) policy 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 Company Secretary acts as the Secretary to the Committee. The composition of Committee as on March 31, 2024 are as follows:

| Name of the Director | Category |
|----------------------|---------------------------------------|
| Mr. L Ganesh | Chairman, Non-Executive & Promoter |
| Mr. Harish Lakshman | Member, Non-Executive & Promoter |

Note:

1. With effect from April 01, 2024, CSR Committee has been re-constituted with Mr. Harish Lakshman as Chairman and Mr. L Ganesh as a Member.

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 to the CSR policy.
- Review and approve projects that are in line with the CSR policy

- Implement CSR projects / programs directly and through implementing agencies.
- Have monitoring and reporting mechanisms in place to track the progress of implementation of each project / programme for the year and for multiyear projects
- Recommend the CSR expenditure to the Board of Directors for approval
- Carry out impact assessment of project/ programmes, where required
- Ensure the end utilization of CSR expenditure
- Such other terms as required under any statutory obligation.

In view of the losses made during the previous years, the Company was not required to spend on CSR activities in terms of Section 135 of the Act and rules thereunder during FY 2023-24 and no CSR activities were carried out during the year.

7. Other Committees

Share Transfer Committee

To expedite the process relating to share registry, 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 registry related activities and the details of which are reported to 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 (Non-Executive Directors) are its members. The Committee is authorised to approve borrowings and connected matters, in accordance with the delegations made by the Board, from time to time. The Company Secretary acts as the Secretary to the Committee. The Committee met four (4) times during the year on June 08, 2023, June 27, 2023, January 03, 2024 and March 29, 2024 approved availing of credit facilities (Term Loan & Working Capital) from Bank(s), closure of Preferential Issue account and allotment of equity shares to Rane Holdings Limited pursuant to conversion of 1,71,821 warrants.

Executive Committee

An Executive Committee comprising of Mr. L Ganesh and Mr. Harish Lakshman as its members is authorized to carry out activities in connection with change in authorization of officials under various legislations, operation of bank accounts and other administrative matters between two consecutive meetings of the Board. The Company Secretary acts as Secretary of the Committee and no sitting fees is payable to the Committee members. During the year, no meeting was held.

Committee of Independent Directors

A separate meeting of Independent Directors was conducted on February 09, 2024, to recommend to the Board, the draft Scheme of Amalgamation of Rane Engine Valve Limited and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, in terms of the provisions of Section(s) 230 to 232 and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder, The Committee, inter-alia, Committee considered rationale, salient features of the scheme and benefits, the Valuation Report, the Fairness Opinion and other documents and formed unanimous opinion that the draft scheme is in the interest of the shareholders and is not detrimental to their interest, including the interest of the minority shareholders of the company.

Separate Meeting of Independent Directors

During the year, in line with requirement under the Companies Act, 2013 and SEBI LODR, the Independent Directors had a separate meeting on March 18, 2024, without the presence of the other Directors and Management. The Lead Independent Director, elected at the meeting, discusses the outcome of such meeting(s) with the Chairman, for any action.

8. Code of conduct

The Board of Directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour – RANE COMPASS"

9. General Body Meetings

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

| Date of AGM | Special resolutions passed | Time | Venue / Mode |
|-----------------------------------------|-------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------|
| July 25, 2023 (51 st AGM) | Appointment of Ms. Vasudha Sundararaman (DIN:06609400) as an Independent Director | 14:00 hrs (IST) | Video Conferencing / Other Audio Visual Means (VC / OAVM) |
| June 28, 2022 (50 th AGM) | Appointment of Mr. Ramesh Rajan Natarajan (DIN:01628318) as an Independent Director | 10:00 hrs (IST) | |
| July 22, 2021 (49 th AGM) | No special resolution was passed | 15:00 hrs (IST) | |

During the year, one (1) ordinary resolution was proposed vide Postal Ballot for appointment of Mr. Vikram Taranath Hosangady (DIN:09757469) as Non-Executive and Non-Independent Director vide notice dated October 31, 2023 in accordance with Section 110 of the Companies Act, 2013, Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI LODR read with MCA and SEBI circulars relaxing the physical dispatch of postal ballot notice to all shareholders. The postal ballot notices were sent by email to all the shareholders. The Company engaged Central Depository Services (India) Limited (CDSL) for facilitating the remote e-voting. The Board appointed Mr. Balu Sridhar, Practicing Company Secretary, as the Scrutinizer for conducting the voting through postal ballot in a fair and transparent manner.

for all Board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same is available in the policies section of the website of the Company at the weblink <https://ranegroup.com/investors/rane-engine-valve-limited/>. The Board members and Senior Managerial Personnel 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 Chief Financial Officer is the Compliance Officer under this code. The code of fair disclosure practices and procedures for unpublished price sensitive information is available under the Corporate Governance Section on the website of the Company in the weblink web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>. Further, the Company also maintains a Structured Digital Database as required under Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015 with adequate internal controls, checks, time stamping and audit trails.

The resolution was passed with requisite majority on December 07, 2023.

10. Other disclosures

- During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions including those with persons / entities belonging to promoter / promoter group as per Ind AS are

- stated in Note no. 28 of the financial statements. The policy on related party transaction is available under the Corporate Governance Section on the website of the Company in the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.
- ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.
 - iii. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
 - iv. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
 - v. The Company has complied with the following non-mandatory requirements prescribed under Part – E of Schedule II, Chapter IV of the SEBI LODR:
 - a. maintains an office for Mr. L Ganesh, Chairman (Non-Executive Director) at the registered office of the Company and allows re-imburement of expenses incurred in performance of his duties.
 - b. adopts best practices to ensure a regime of financial results / statement with unmodified audit opinion.
 - c. Internal Auditor directly reports to the Audit Committee.
 - vi. In order to comply with all applicable 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 does not have any material listed / unlisted subsidiary Companies as defined in Regulation 24 of the SEBI LODR. Hence, the Company is not required to frame a policy for determining material subsidiary.
 - 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 in '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, for such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
 - xi. 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.
 - xii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
 - xiii. The disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 forms part of Directors' Report.
 - xiv. The Board has accepted / considered all the recommendation(s) made by Committee(s) to the Board in the relevant financial year under review.

- xv. The total fees for all services paid by the Company to M/s. Varma & Varma, Chartered Accountants, Statutory Auditor are as under:

| Particulars | ₹ in Crores) | |
|-------------------------------------------------------|--------------|-------------|
| | FY 2023-24 | FY 2022-23 |
| Varma & Varma, Chartered Accountants | 0.23 | 0.21 |
| Net Work entities and firms of Varma & Varma (if any) | - | - |
| Total | 0.23 | 0.21 |

- xvi. The shareholders of the Company vide postal ballot resolution passed on February 25, 2022, had approved fund raising for a sum of upto Rs. 15 crores by way of preferential issue. Pursuant to the same, 5,15,463 warrants were issued and allotted to Rane Holdings Limited, Promoter / Promoter Group (RHL), at an issue price of ₹291/- per warrant on preferential basis. During the year under review, the Company had allotted 1,71,821 equity shares to Rane Holdings Limited on exercise of conversion of equivalent warrants.
- xvii. 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 and industry changes.
- xviii. There were no loans / advances to firms/ companies in which Directors are interested.
- xix. There are no agreements that require disclosure under Clause 5A of Paragraph A of Part A of Schedule III of the SEBI LODR.
- xx. Particulars of senior management including the changes therein since the close of the previous financial year are discussed in detail in the Directors Report.
- xxi. Information about Directors seeking appointment / re-appointment at the ensuing AGM in compliance with Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2) is available in the Notice to Members.
- xxii. Constitution of Risk Management Committee is not applicable for the year under review to the Company since it does not fall under the top 1000 listed companies based on market capitalization.
- xxiii. The dividend distribution policy of the Company is available under the Corporate Governance section on the Investors page of the website at the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

11. 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.

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

The policy and the mechanism for reporting have been appropriately communicated across all locations of the Company. No person has been denied access to the ombudsperson / Audit Committee. The whistle blower policy has also been made available under the Corporate Governance Section on the website of the Company in the web-link: <https://ranegroup.com/investors/rane-engine-valve-limited/>.

13. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Hindu Tamizh Thisai". The financial results, shareholding pattern and other 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 at www.ranegroup.com. During the year, press releases, presentations made to analysts / institutional investors were made available on the website of the Company.

In view of exemption available vide General circular 10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs ("MCA") read with SEBI Circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 the company did not dispatch hard copies of the Annual Report to the shareholders. 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 hard copies of the Annual Report were sent only to those members who had specifically requested. The electronic copies of the annual report and the notice convening the 51st AGM were sent to all the members whose e-mail addresses were registered with the Company or their respective Depository Participants (DP).

The Company has sent KYC reminder letters to all physical shareholders by registered post and vide notice of AGM intimated the shareholders to update their e-mail ID, PAN & Bank Account details.

In compliance with SEBI Circular SEBI/HO/MIRSD/POD - 1/P/CIR/2023/181 dated November 27, 2023, the Company has disseminated in its website regarding simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination for creating awareness.

14. General Shareholder Information

i. Annual General Meeting

July 23, 2024 (Tuesday) at 14:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

ii. Financial Year: April 01, 2024 – March 31, 2025

Financial Calendar:

| Board meeting for approval of | Tentative schedule |
|---------------------------------------------------------------------------------------------|--------------------------------|
| Audited Annual financial results and financial statements for the year ended March 31, 2024 | May 07, 2024 |
| Un-audited financial results for the 1 st quarter ending June 30, 2024 | By fourth week of July 2024 |
| Un-audited financial results for the 2 nd quarter ending September 30, 2024 | By fourth week of October 2024 |
| Un-audited financial results for the 3 rd quarter ending December 31, 2024 | By fifth week of January 2025 |

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

iii. Dividend

The Board of Directors of the Company at their meeting held on May 07, 2024 have considered and recommended a dividend of 50% (₹5/- per share) on the equity share capital for approval of the shareholders at the ensuing 52nd AGM to be held on July 23, 2024. The dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on Tuesday, July 16, 2024 (being the Record Date) fixed for this purpose

| Year | Date of declaration | Dividend per share [#] (in ₹) | Amount outstanding in Unclaimed Dividend Account (as on 31.03.2024) [^] (in ₹) | Last Date for claiming unpaid dividend | Due date for transfer to IEPF |
|------------|---------------------|----------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|-------------------------------|
| 31.03.2017 | 21.08.2017 | 2.50** | 2,55,732.50 | 27.09.2024 | 27.10.2024 |

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

[^] Amounts reflect the confirmation of balance issued by Bank(s)

** Represents final dividend

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed Dividend amounts as on March 31, 2023 in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. www.ranegroup.com.

iv. Listing on Stock Exchanges

| Stock Exchanges | Stock Code |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 | RANEENGINE |
| BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Da- lal Street, Mumbai - 400 001 | 532988 |

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 2024-25 to NSE & BSE where the shares of the Company continue to be listed. There shares of the Company were not suspended from trading during the FY 2023-24.

v. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, Dividend which remain unclaimed for a period of seven years needs to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within the respective due dates.

During the year, there was no requirement for the Company to transfer the unpaid Dividend to IEPF. Members who have not encashed the Dividend warrants are requested to make their claim to the Company. Information in respect of such unclaimed Dividends when due for transfer to the said fund is given below:

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, there was no requirement for the Company to transfer any shares to IEPF Authority.

The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders.

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure prescribed on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2016-17 final are liable to be transferred to IEPF Authority during the current FY 2024-25. In this regard, the Company shall intimate / publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

vii. Unclaimed share suspense

In accordance with Regulation 39 read with Schedule V of SEBI LODR, the Company reports the movement of unclaimed shares in 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 share 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 | 635 |
| Requests for transfer during the year | - | - |
| Transfers during the year | - | - |
| Balance at the end of the year | 5 | 635 |

In compliance with SEBI Circular No. SEBI / HO/ MIRSD/PoD1/OW/P/2022/64923 dated December 30, 2022, the Company has opened "Rane Engine Valve 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. There are 490 shares lying as balance in aforementioned account as on March 31, 2024.

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, 2023 – March 31, 2024 is given below:

| Month | BSE | | BSE Sensex | | NSE | | NSE Nifty | |
|----------------|---------------------|--------|------------|-----------|---------------------|--------|-----------|-----------|
| | Share Prices (in ₹) | | High | Low | Share Prices (in ₹) | | High | Low |
| | High | Low | | | High | Low | | |
| April 2023 | 242.00 | 205.80 | 61,209.46 | 58,793.08 | 222.00 | 203.00 | 18,089.15 | 17,312.75 |
| May 2023 | 316.60 | 216.00 | 63,036.12 | 61,002.17 | 313.00 | 215.65 | 18,662.45 | 18,042.40 |
| June 2023 | 302.00 | 265.00 | 64,768.58 | 62,359.14 | 303.80 | 262.30 | 19,201.70 | 18,464.55 |
| July 2023 | 346.50 | 277.10 | 67,619.17 | 64,836.16 | 341.05 | 283.30 | 19,991.85 | 19,234.40 |
| August 2023 | 318.95 | 291.60 | 66,658.12 | 64,723.63 | 324.45 | 289.00 | 19,795.60 | 19,223.65 |
| September 2023 | 328.50 | 295.30 | 67,927.23 | 64,818.37 | 330.00 | 295.00 | 20,222.45 | 19,255.70 |
| October 2023 | 324.90 | 285.10 | 66,592.16 | 63,092.98 | 323.50 | 276.05 | 19,849.75 | 18,837.85 |
| November 2023 | 348.00 | 290.00 | 67,069.89 | 63,550.46 | 347.65 | 288.05 | 20,158.70 | 18,973.70 |
| December 2023 | 393.15 | 308.00 | 72,484.34 | 67,149.07 | 393.85 | 315.00 | 21,801.45 | 20,183.70 |
| January 2024 | 505.65 | 352.35 | 73,427.59 | 70,001.60 | 505.95 | 340.25 | 22,124.15 | 21,137.20 |
| February 2024 | 470.50 | 349.00 | 73,413.93 | 70,809.84 | 469.00 | 348.30 | 22,297.50 | 21,530.20 |
| March 2024 | 367.60 | 300.45 | 74,245.17 | 71,674.42 | 377.80 | 298.40 | 22,526.60 | 21,710.20 |

source: www.bseindia.com & www.nseindia.com

ix. Registrar and Transfer Agent

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

**Integrated Registry Management
Services Private Limited**
SEBI Registration No. INR000000544
II Floor, 'Kences Towers', No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai – 600 017
Phone: 28140801 – 03, Fax: 28142479, 28143378
e-mail ID: einward@integratedindia.in
Website: www.integratedregistry.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 Practicing Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

xi. Distribution of shareholding as on March 31, 2024

| No. of shares held | Shareholders | | Shares | |
|--------------------|--------------|---------------|------------------|---------------|
| | Number | % to total | Number | % to total |
| Upto 500 | 7,575 | 93.94 | 5,32,090 | 7.35 |
| 501 – 1000 | 250 | 3.10 | 1,82,995 | 2.53 |
| 1001 – 2000 | 116 | 1.44 | 1,67,197 | 2.31 |
| 2001 – 3000 | 41 | 0.51 | 1,03,397 | 1.43 |
| 3001 – 4000 | 14 | 0.17 | 48,848 | 0.68 |
| 4001 – 5000 | 14 | 0.17 | 62,590 | 0.87 |
| 5001 – 10000 | 20 | 0.25 | 1,51,912 | 2.10 |
| 10001 & above | 34 | 0.42 | 59,85,426 | 82.73 |
| Total | 8,064 | 100.00 | 72,34,455 | 100.00 |

xii. Shares Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depository Services (India) Limited for dematerialisation of the shares held by investors. As of March 31, 2024, about

| Rating Agency | Security Type | (₹ in Crores) | Credit Rating | Outlook | Status (Assigned / Re-affirmed / Revised / Withdrawn) | Date of credit rating obtained |
|---------------|---------------|---------------|---------------|---------|-------------------------------------------------------|--------------------------------|
| CRISIL | Long term | 220.00 | BBB+ | Stable | Revised | May 24, 2023 |
| | Short term | | A2 | - | | |
| | Long term | 220.00 | BBB+ | Stable | Watch with Positive Implications | February 20, 2024 |
| | Short term | | A2 | - | | |

98.19% of the shareholdings have been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised 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, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Physical | 1,31,068 | 1,37,899 | 1.81 | 1.95 |
| Demat | 71,03,387 | 69,24,735 | 98.19 | 98.05 |
| Total | 72,34,455* | 70,62,634 | 100.00 | 100.00 |

* Includes 1,71,821 Equity Shares allotted during the year

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

Demat ISIN: INE222J01013

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

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

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

xiv. Plant Locations - Refer corporate information section of the Annual Report.

xv. Credit Rating

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the Company during the year ended March 31, 2024 are as follows:

xvi. Address for communication:

The Compliance officer
Rane Engine Valve Limited
Rane Corporate Centre,
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
Phone: 28112472/73
e-mail ID: investorservices@ranegroup.com
Website: www.ranegroup.com

OR

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

For and on behalf of the Board

Chennai
May 07, 2024

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Annexure (i)

CERTIFICATE FROM MANAGING DIRECTOR / MANAGER

To
The Members,
Rane Engine Valve 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, 2024.

Chennai
May 07, 2024

S Rajkumar
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 Engine Valve Limited [CIN: L74999TN1972PLC006127]
 "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 ENGINE VALVE LIMITED ('the Company') as on March 31, 2024, 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. | Ramesh Rajan Natarajan | Non-Executive, Independent | 01628318 |
| 4. | Pradip Kumar Bishnoi | Non-Executive, Independent | 00732640 |
| 5. | Vasudha Sundararaman | Non-Executive, Independent | 06609400 |
| 6. | Vikram Taranath Hosangady | Non-Executive, Non-Independent | 09757469 |

[#] Retired as Chairman of the Board effective from close of business hours on March 31, 2024, and re-designated as Non-Executive and Non-Independent Director, with effect from April 1, 2024.

^{##} Appointed as the Chairman of the Board, and re-designated as Chairman, Non-Executive and Non-Independent Director, with effect from April 1, 2024.

We are issuing this certificate based our verification of 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]

Sharanya Sriram
 Partner

Membership No.: F10252
 Certificate of Practice No.: 12731
 UDIN: F010252F000323059

Place : Chennai
 Date : May 7, 2024

Annexure (iii)

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S CERTIFICATE

To
The Members
Rane Engine Valve Limited

1. We, Varma and Varma, Chartered Accountants, the Statutory Auditors of Rane Engine Valve Limited ('the Company'), have examined the compliance of the conditions of Corporate Governance by the Company for the year ended March 31, 2024 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred in Regulation 15(2) of the Listing Regulations.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance of the conditions of the corporate governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
4. We have examined the books of account and other relevant records and documents maintained by the company for the purpose of providing reasonable assurance on the compliance with the corporate governance requirements by the company.
5. We conducted our examination of the relevant records of the company in accordance with the Guidance Note on Certification of Corporate Governance issued by the

Institute of Chartered Accountants of India (the ICAI), the standards on auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. 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

7. Based on our examination of relevant records and according to the explanations given to us and based on our reliance upon the representations made by the Directors and the Management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations during the year ended March 31, 2024.
8. We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Varma & Varma**
Chartered Accountants
FRN. 004532S

Georgy Mathew
Partner

Place : Chennai
Date : May 07, 2024

M.No. 209645
UDIN:24209645BKATLW8313

Annexure E to the Report of the Board of Directors

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2023–24

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 2023-24 | Ratio of remuneration of each Director to median remuneration of employees |
|------------------------------------------------|----------------------------------------|----------------------------------------------------|----------------------------------------------------------------------------|
| Key Managerial Personnel | | | |
| Dr. S Rajkumar | President & Manager | Not Applicable (Refer note (iii)) | Not Applicable (Refer note i) |
| Mr. V K Vijayaraghavan | Chief Financial Officer | 7.04 % | |
| Mr. Vivekanandaa M (Up to January 31, 2024) | Company Secretary (Refer note (iv)) | Not Applicable (Refer note (iv)) | |
| Mr. S Anand (From February 01, 2024) | Company Secretary (Refer note (iv)) | Not Applicable (Refer note (iv)) | |

Note:

- (i) None of the Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof. Hence, the ratio of remuneration and percentage increase have not been considered.
 - (ii) Remuneration considered is based on annual emoluments (including variable pay) and designation as on date.
 - (iii) Dr. S Rajkumar, President was appointed as Manager w.e.f. February 07, 2023. Hence, not comparable with previous year.
 - (iv) Mr. Vivekanandaa M, Company Secretary of the Company was relieved w.e.f. January 31, 2024. Mr. S Anand was appointed as Company Secretary of the Company w.e.f. February 01, 2024. Hence, not comparable with previous year.
 - (v) Remuneration of Company Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
2. Percentage increase in median remuneration during the year: **No change**
 3. Number of permanent employees on the rolls of the Company as on March 31, 2024: **832**
 4. Average percentile increase already made in salaries of employees other than managerial personnel in the last financial year (FY 2023-24) was **(1)%** as against percentile increase in managerial remuneration of **(38)%** in the last financial year (FY 2023-24). The decrease in managerial remuneration is on account of retiral benefits paid to Mr. Murali K Rajagopalan, Manager who retired during the FY 2022-23.
 5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

For and on behalf of the Board

Chennai
 May 07, 2024

Ganesh Lakshminarayan
 Director
 DIN:00012583

Harish Lakshman
 Chairman
 DIN:00012602

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Rane Engine Valve Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Rane Engine Valve Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended and notes to the financial statements including a summary of the material 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 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its profits and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 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 Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matter described below to be the key audit matter to be communicated in our report.

| Sl. No. | Key Audit Matter | Auditors Response |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | <p>Deferred Tax Assets</p> <p>The company has recognised deferred tax assets on deductible temporary differences, unused tax losses (unabsorbed depreciation) and for unused tax credits (MAT credit), that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is dependent on the company's ability to generate future taxable profits sufficient to utilize the deductible temporary differences and tax losses and to set off the unused tax credits as above.</p> <p>We have determined this to be a key audit matter, due to the inherent uncertainty in forecasting the amount and timing of future taxable profits and the reversal of temporary differences.</p> <p>Refer Note No 10 to the Standalone Financial Statements</p> | <p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - reconciling tax losses/ credits and expiry dates to tax statements; - assessing the accuracy of forecasts of future taxable profits by comparing the assumptions, such as projected growth rates, their consistency with business plans and forecasts used for impairment testing purposes. - evaluating the adequacy of disclosures in the financial statements. |

Information Other than the Standalone Financial Statements and Auditor's Report thereon (Other Information)

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the standalone financial statements and our auditor's report 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.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other Comprehensive Income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 system 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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

except for the matters stated in para 2(i)(v) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014.

- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 31st March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The modification relating to the maintenance of accounts and other matters connected therewith are stated in para 2(b) above on reporting under 143(3)(b) and para 2(i)(v) below on reporting under Rule 11(g).
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid by the Company during the year is in accordance with the provisions of section 197 of the Act.

- (i) 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18 to the financial statements.
 - ii. The Company has made provisions, as required under the applicable law or Indian accounting

standard, for material foreseeable losses, if any on long-term contracts including derivative contracts.

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

iv. i. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

iii. Based on the audit procedures 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.

v. Based on our examination, which included test checks, the Company in respect of financial year commencing from April 1, 2023 has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that the same was not enabled;

ii. at the application layer of the accounting software for certain fields of tables relating to certain modules and for direct data changes performed by users having privileged access, and

ii. at the database layer of the accounting software.

Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

vi. i. The company has not paid any dividend during the year.

ii. As stated in Note.12.5 to the financial statements, the Board of Directors of the Bank have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

For **Varma & Varma**
Chartered Accountants
FRN: 004532S

Georgy Mathew
Partner

Place : Chennai
Date : May 07, 2024

M. No. 209645
UDIN:24209645BKATLD3558

ANNEXURE 'A'

Referred to in paragraph 1 under the heading report on "Other Legal and Regulatory Requirements" of our Independent Audit report of even date on the Standalone Financial Statements of rane engine valve limited for the year ended March 31, 2024

- (i) a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and Investment Property and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a regular program of physical verification to cover all the items of Property, Plant and Equipment and right-of-use assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were verified during the year. According to the information and explanations given to us, and based on the examination of records produced by the company, we report that no material discrepancies have been noticed on such verification.
- c. According to the information and explanations given to us and based on the examination of the records of the company including confirmations received from banks in respect of title deeds deposited with them, wherever applicable, and having regard to the respective schemes of amalgamation and/or merger approved by the relevant High Courts in respect of properties existing in the name of entities that have merged with the Company in earlier years, we report that 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), disclosed in the financial statements are held in the name of the Company as at the balance sheet date except in the case of factory land at one of its manufacturing plants (gross carrying value – Rs. 0.52 Crores) wherein the local authority, during the year, has claimed the title of property vide writ appeal filed in the High Court of Telangana.
- d. The Company has not revalued any of its Property, Plant and Equipment (including right- of-use assets) and intangible assets during the year.
- e. According to the information and explanations given to us and based on the examination of the records of the company, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a. In our opinion, the management has conducted physical verification of inventory (other than stock lying with third parties) at reasonable intervals during the year. According to the information and explanations given to us and based on the examination of the records of the company, we are of the opinion that the coverage and procedure of such verification by the management is appropriate and no material discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification. For stocks lying with third parties at the year-end, written confirmations have been obtained.
- b. The quarterly returns or statements filed by the company with banks or financial institutions in respect of working capital limits in excess of five crore rupees, in aggregate, on the basis of security of current assets, are in agreement with the books of account of the Company except as given in Annexure 1;
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any 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 given interest free advances to employees and made investments in other parties, in respect of which the requisite information is as below. The Company has not made any investments in companies, firms or limited liability partnership:
- a. The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- b. In our opinion, the terms and conditions of the grant of loans and investments made during the year are, prima facie, not prejudicial to the Company's interest. The company has not provided any guarantee or given any security during the year.
- c. In respect of interest free advances granted by the Company to its employees, the schedule of repayment of principal has been stipulated and the

- repayments of principal amounts have generally been regular as per stipulation.
- d. In respect of interest free advances granted by the Company to its employees, there is no overdue amount remaining outstanding as at the balance sheet date.
- e. No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties. Hence, reporting under clause 3(iii)(e) is not applicable.
- f. 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 during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of investments made during the year. The company has not granted any loans or given any security or guarantee for which the provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed the maintenance of cost records under Section 148 (1) of the Act in respect of certain products manufactured by the Company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the undisputed statutory dues including goods and service tax, provident fund, employees state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable to the Company have generally been regularly deposited by the company with the appropriate authorities and no undisputed amounts in respect of material statutory dues were in arrears as at 31st March, 2024 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 based on the records of the Company examined by us, the particulars of dues referred to in sub-clause (a) that have not been deposited on account of any dispute as at 31st March, 2024 are as follows:

| Name of the Statute | Nature of dues | Amount (Rs. In Cr) | Period to which the amount relates | Forum where dispute is pending |
|---------------------------------------|-----------------|--------------------|------------------------------------------------------------------------------------|------------------------------------------|
| Income Tax Act, 1961 | Income Tax | 0.79 | April 2010 to March 2011 | Income Tax Appellate Tribunal, Chennai |
| Income Tax Act, 1961 | Income Tax | 1.58 | April 2011 to March 2012; April 2013 to March 2015; April 2016 to March 2017 | National Faceless Appeal Centre |
| Income Tax Act, 1961 | Income Tax | 0.53 | April 2002 to March 2004 | Assessing Officer, Chennai |
| Maharashtra Value Added Tax Act, 2002 | Maharashtra VAT | 0.35 | April 2011 to March 2012 | Maharashtra Sales Tax Tribunal , Pune |
| Telangana Value Added Tax Act, 2005 | Telangana VAT | 0.06 | April 2013 to June 2017 | Jt. Commissioner of Sales Tax, Telangana |

- (viii) As per the information and explanations furnished to us, and according to our examination of the records of the Company, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence, reporting under clause 3(viii) of the Order is not applicable.
- (ix) As per the information and explanations furnished to us, and according to our examination of the records of the Company:
- a. The Company has not defaulted in repayment of loans or other borrowings to any lender.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c. the company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.

- d. On an overall examination of the financial statements of the Company, we report that during the year, no funds raised on short-term basis have, prima facie, been used, for long-term purposes by the Company.
- e. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(e) of the Order is not applicable.
- f. The Company does not have any subsidiaries, associates or joint ventures and hence, reporting on clause 3(ix)(f) of the Order is not applicable.
- (x) As per the information and explanations furnished to us, and according to our examination of the records of the Company ,
- a. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made private placement of shares or fully or partly convertible debentures during the year. In our opinion, in respect of preferential allotment of equity shares made during the year, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The proceeds from the issue of equity shares have been used for the purposes for which the funds were raised.
- (xi) As per the information and explanations furnished to us, and according to our examination of the records of the Company,
- a. No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- b. No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c. No whistle blower complaints have been received by the Company during the year (and upto the date of this report)
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 28 to the standalone financial statements as required by the applicable accounting standard.
- (xiv) a. In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b. We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors and hence, reporting under clause 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us and the records of the Company examined by us,
- a. the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.
- b. The company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.
- c. The company is a not Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.
- d. There is no core investment company as defined in the regulations made by the Reserve Bank of India within the Group. Hence, reporting under clause 3(xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) 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 financial statements and 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 indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) According to the information and explanations given to us and based the records of the Company examined by us, the company is not required to incur any expenditure towards Corporate Social Responsibility activities, and hence reporting under clause 3(xx) of the Order is not applicable.

For **Varma & Varma**
Chartered Accountants
FRN: 004532S

Georgy Mathew

Partner

M. No. 209645

Place : Chennai

Date : May 07, 2024

UDIN:24209645BKATLD3558

Annexure 1 to Independent Auditor's Report

(₹ in Crores)

| Name of Banks | Particulars of information submitted | Quarter | Amount as per books of account | Amount as reported in the quarterly return/statement | Amount of difference | Reason for material differences |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|--------------------------------|------------------------------------------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| (i) HDFC Bank Limited (ii) Standard Chartered Bank (iii) IndusInd Bank Limited (iv) Yes Bank Limited (v) Federal Bank Limited | Inventories | Jun-23 | 86.96 | 91.99 | (5.03) | Internal provisions are not considered in the quarterly statements submitted to bank |
| | | Sep-23 | 87.10 | 92.88 | (5.78) | |
| | | Dec-23 | 87.91 | 93.33 | (5.42) | |
| | | Mar-24 | 87.30 | 94.76 | (7.46) | |
| | Trade Payables | Jun-23 | 80.62 | 41.12 | 39.50 | Unbilled expenses/ provisions and non-stock bills under trade payables and are not considered in the quarterly statements submitted to bank |
| | | Sep-23 | 88.33 | 40.36 | 47.97 | |
| | | Dec-23 | 82.67 | 35.45 | 47.22 | |
| | | Mar-24 | 78.57 | 32.71 | 45.86 | |
| | Trade Receivables | Jun-23 | 109.66 | 108.08 | 1.58 | Debtors above 90 days are not considered in the quarterly statements submitted to bank |
| | | Sep-23 | 107.61 | 105.58 | 2.03 | |
| | | Dec-23 | 103.34 | 104.66 | (1.32) | |
| | | Mar-24 | 113.76 | 112.97 | 0.78 | |

ANNEXURE 'B'

Referred to in paragraph 2(f) under the heading "Report on other Legal and Regulatory Requirements" of our Independent Audit Report of even date on the Standalone Financial Statements of Rane Engine Valve Limited for the year ended March 31, 2024

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

We have audited the internal financial controls over financial reporting of Rane Engine Valve Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma & Varma**
Chartered Accountants
FRN: 004532S

Georgy Mathew
Partner

Place : Chennai
Date : May 07, 2024

M. No. 209645
UDIN:24209645BKATLD3558

BALANCE SHEET

AS AT MARCH 31, 2024

(₹ in Crores)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------------------------------------------|-------|-------------------------|-------------------------|
| ASSETS | | | |
| Non-Current assets | | | |
| Property, Plant and Equipment | 2(A) | 86.43 | 84.58 |
| Right-of-use assets | 2(B) | 0.40 | 0.78 |
| Capital Work-in-Progress | 2(C) | 10.92 | 5.01 |
| Intangible Assets | 2(D) | 0.40 | 0.33 |
| Financial Assets | | | |
| - Investments | 3 | 2.87 | 2.15 |
| - Other Financial Assets | 4 | 5.19 | 5.16 |
| Deferred tax assets (net) | 10 | 31.25 | 32.22 |
| Tax Assets (net) | 9 | 2.21 | 5.62 |
| Other Non-Current Assets | 5 | 1.17 | 0.88 |
| Total Non-Current Assets | | 140.84 | 136.73 |
| Current Assets | | | |
| Inventories | 6 | 87.30 | 91.61 |
| Financial Assets | | | |
| - Trade Receivables | 7 | 113.76 | 107.91 |
| - Cash and Cash Equivalents | 8 | 2.45 | 7.96 |
| - Bank balances other than above | 8 | 0.03 | 0.03 |
| - Other Financial Assets | 4 | 3.50 | 2.83 |
| Other Current Assets | 5 | 5.95 | 5.06 |
| Total Current Assets | | 212.99 | 215.40 |
| TOTAL ASSETS | | 353.83 | 352.13 |
| EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 11 | 7.23 | 7.06 |
| Other Equity | 12 | 113.58 | 97.80 |
| Total Equity | | 120.81 | 104.86 |
| Liabilities | | | |
| Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 13 | 42.78 | 44.30 |
| - Lease Liabilities | 14(A) | 0.28 | 0.07 |
| - Other Financial Liabilities | 14(B) | 0.98 | 0.92 |
| Provisions | 15 | 12.01 | 15.07 |
| Other Non-Current liabilities | 17 | 0.13 | 0.28 |
| Total Non-Current liabilities | | 56.18 | 60.64 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| - Borrowings | 13 | 78.98 | 92.13 |
| - Lease Liabilities | 14(A) | 0.14 | 0.81 |
| - Trade Payables | 16 | | |
| - Micro & Small Enterprises | | 6.57 | 5.58 |
| - Others | | 72.00 | 72.69 |
| - Other Financial Liabilities | 14(B) | 12.23 | 9.31 |
| Other Current Liabilities | 17 | 3.38 | 4.89 |
| Provisions | 15 | 3.54 | 1.22 |
| Total Current Liabilities | | 176.84 | 186.63 |
| Total Liabilities | | 233.02 | 247.27 |
| TOTAL EQUITY AND LIABILITIES | | 353.83 | 352.13 |
| Material Accounting Policies and key accounting estimates and judgements | 1 | | |
| See accompanying notes to financial statements | 2-43 | | |

As per our report of even date attached

For **Varma & Varma**

Chartered Accountants

Firm Registration No. 004532S

For and on behalf of the Board

Georgy Mathew

Partner

Membership No. 209645

Ganesh Lakshminarayan

Director

DIN:00012583

Harish Lakshman

Chairman

DIN:00012602

Chennai
May 07, 2024**S Rajkumar**
Manager**S Anand**
Company Secretary**V K Vijayaraghavan**
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

| Particulars | Note | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------------------------------------------------------|---------------------|------------------------------|------------------------------|
| Revenue from Operations | 19 | 566.75 | 497.57 |
| Other Income | 20 | 3.59 | 2.06 |
| Total Income | | 570.34 | 499.63 |
| Expenses | | | |
| Cost of Raw Materials Consumed | 21 | 233.23 | 209.94 |
| Purchase of Stock-in-Trade | 22 | 10.44 | 8.80 |
| Changes in Inventories of Finished goods, Work-in-Progress and Stock-in-Trade | 23 | 2.47 | (2.64) |
| Employee Benefits Expense | 24 | 139.02 | 124.50 |
| Finance Costs | 25 | 10.19 | 10.11 |
| Depreciation and Amortization Expense | 2(A), 2(B), 2(D) | 19.02 | 19.28 |
| Other Expenses | 26 | 134.87 | 122.81 |
| Total Expenses | | 549.24 | 492.80 |
| Profit / (Loss) before exceptional items and tax | | 21.10 | 6.83 |
| Exceptional items | 37 | (5.42) | (6.67) |
| Profit / (Loss) before tax | | 15.68 | 0.16 |
| Tax Expense: | | | |
| Current tax | | 3.66 | 0.33 |
| Deferred Tax | 10 | 0.56 | (0.11) |
| Profit / (Loss) for the year | | 11.46 | (0.06) |
| Other Comprehensive Income (OCI) | | | |
| Items that will not be reclassified to statement of Profit and Loss | | | |
| (i) Remeasurement benefit/(loss) of defined benefit plans | | 1.15 | 0.40 |
| (ii) Income tax expense on remeasurement benefit/(loss) of defined benefit plans | | (0.40) | (0.14) |
| Total Comprehensive Income for the Year | | 12.21 | 0.20 |
| Earning per Equity Share: (Refer Note No.33) | | | |
| Basic | | 15.93 | (0.09) |
| Diluted | | 15.93 | (0.09) |
| Number of shares of ₹ 10 each | | 72,34,455 | 70,62,634 |
| Material Accounting Policies and key accounting estimates and judgements | 1 | | |
| See accompanying notes to financial statements | 2-43 | | |

As per our report of even date attached

For **Varma & Varma**

Chartered Accountants

Firm Registration No. 004532S

Georgy Mathew

Partner

Membership No. 209645

Chennai

May 07, 2024

S Rajkumar

Manager

Ganesh Lakshminarayan

Director

DIN:00012583

S Anand

Company Secretary

Harish Lakshman

Chairman

DIN:00012602

For and on behalf of the Board

V K Vijayaraghavan

Chief Financial Officer

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------------------------------------------|------------------------------|------------------------------|
| A. Cash flow from operating activities | | |
| Net profit / (loss) before tax | 15.68 | 0.16 |
| Adjustments for: | | |
| Depreciation & Amortisation Expense | 19.02 | 19.28 |
| Unrealised Foreign exchange loss / (gain) - net | (0.19) | (0.11) |
| Finance Costs | 10.19 | 10.11 |
| Interest Income | (0.85) | (0.68) |
| (Gain) / Loss on disposal of Property, Plant & Equipment - Net | - | (0.05) |
| Assets Written off / Loss on Retirement of Assets | 0.00 | 0.00 |
| Provision for bad debts and bad debts written off / (written back) | 1.11 | 1.43 |
| Provision no longer required and balances written back | (0.31) | (0.63) |
| Advances Written Off / Provision for Doubtful Advances | - | 0.05 |
| Operating profit before working capital changes | 44.65 | 29.56 |
| Adjustments for (Increase) / Decrease in : | | |
| Trade receivables | (6.86) | (29.70) |
| Non-Current and Current financial assets | (0.55) | (1.03) |
| Inventories | 4.30 | (3.42) |
| Other Non-current and Current assets | (0.89) | (0.54) |
| Trade payables | 0.29 | 24.67 |
| Non-Current and Current financial liabilities | 2.26 | (2.68) |
| Other Non-Current and Current liabilities | (1.66) | 2.66 |
| Non-Current and Current provisions | 0.41 | 0.12 |
| Cash generated from operating activities | 41.95 | 19.64 |
| Income taxes (paid)/refund - (Net) | (0.24) | 0.97 |
| Net cash (used in)/generated from operating activities (A) | 41.71 | 20.61 |
| B. Cash flow from investing activities: | | |
| Purchase of Property, Plant and Equipment | (25.40) | (20.18) |
| Proceeds from sale of Property, Plant and Equipment | 0.00 | 0.06 |
| Purchase of Non-Current investments - Others | (0.72) | - |
| Interest received | 0.81 | 0.82 |
| Net cash (used in)/generated from investing activities (B) | (25.31) | (19.30) |
| C. Cash flow from financing activities: | | |
| Proceeds from Non-Current borrowings | 17.97 | 29.04 |
| Repayment of Non-Current borrowings | (20.95) | (14.64) |
| Money received against share warrants | 3.75 | 7.50 |
| Proceeds from / (Repayment) of Current borrowings | (11.69) | (5.59) |
| Principal portion of Lease payments | (0.86) | (0.74) |
| Interest portion of Lease payments | (0.07) | (0.11) |
| Finance Costs paid | (10.06) | (9.69) |
| Dividend and Dividend tax paid | (0.00) | (0.03) |
| Net cash (used in)/generated from financing activities (C) | (21.91) | 5.74 |
| Net Increase/(Decrease) in cash and cash equivalents (A)+(B)+(C) | (5.51) | 7.05 |

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Cash and cash equivalents at the beginning of the year | 7.96 | 0.91 |
| Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies | - | - |
| Cash and cash equivalents at the end of the year | 2.45 | 7.96 |

Notes:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash flow

| (b) Cash and Cash Equivalents comprises of | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------------------------|-------------------------|-------------------------|
| Balance with Banks: | | |
| - Current Accounts | 2.43 | 0.45 |
| - Deposit with Bank with maturity less than 3 months | - | 7.50 |
| Cash on hand | 0.02 | 0.01 |
| Cash and Cash Equivalents in Cash Flow Statement | 2.45 | 7.96 |

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Chennai
May 07, 2024

S Rajkumar
Manager

S Anand
Company Secretary

V K Vijayaraghavan
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

| Particulars | Share Capital | Other Equity | | | | Other Equity |
|----------------------------------------------------------------|---------------|-----------------|----------------------------|-----------------|-------------------|--------------|
| | | Capital Reserve | Securities Premium Account | General Reserve | Retained Earnings | |
| Balance as at April 01, 2022 | 6.72 | 1.34 | - | 132.95 | (47.60) | 90.44 |
| Profit / (Loss) for the year | - | - | - | - | (0.06) | (0.06) |
| Other Comprehensive Income / (Loss) for the year, net of taxes | - | - | - | - | - | - |
| - Remeasurement of Defined Benefit Plans | - | - | - | - | 0.26 | 0.26 |
| Premium on preferential issue of equity shares | - | - | 9.66 | - | - | 9.66 |
| Issue of equity shares | 0.34 | - | - | - | - | - |
| Money received against share warrants | - | - | - | - | (2.50) | (2.50) |
| Balance as at March 31, 2023 | 7.06 | 1.34 | 9.66 | 132.95 | (47.39) | 97.80 |
| Profit / (Loss) for the year | - | - | - | - | 11.46 | 11.46 |
| Other Comprehensive Income / (Loss) for the year, net of taxes | - | - | - | - | - | - |
| - Remeasurement of Defined Benefit Plans | - | - | - | - | 0.75 | 0.75 |
| Premium on preferential issue of equity shares | - | - | 4.82 | - | - | 4.82 |
| Issue of equity shares | 0.17 | - | - | - | - | - |
| Money received against share warrants | - | - | - | - | (1.25) | (1.25) |
| Balance as at March 31, 2024 | 7.23 | 1.34 | 14.48 | 132.95 | (35.18) | 113.58 |

The accompanying notes are an integral part of these financial statements

As per our report of even date attached
For **Varma & Varma**
Chartered Accountants
Firm Registration No. 004532S

Georgy Mathew
Partner
Membership No. 209645

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Chennai
May 07, 2024

S Rajkumar
Manager

S Anand
Company Secretary

V K Vijayaraghavan
Chief Financial Officer

For and on behalf of the Board

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 1 : Summary of Material Accounting Policies, critical judgements and key estimates

1. General Information

Rane Engine Valve Limited (The "Company") is engaged in manufacture of engine valves, Guides and Tappets for passenger cars, commercial vehicles, farm tractors, stationery engines, railway/marine engines and two/three wheelers and as such operates in a single reportable business segment of 'components for transportation industry'. The Company is having five manufacturing facilities at Chennai, Hyderabad(2), Trichy and Tumkur. The Company is a Public Limited Company and listed on Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

2. Summary of material accounting policies

2.1. Basis of Preparation

Compliance with Indian Accounting Standards (Ind AS):

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

The financial statements are prepared under historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

2.2. Use of Estimates

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates

are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.3. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non – refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any.

If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount.

The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress.

The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

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

| S. No. | Category | Useful life of assets (Yrs.) |
|--------|------------------------|------------------------------|
| 1 | Furniture and fittings | 5 |
| 2 | Office Equipment's | 3 |
| 3 | Vehicles | 5 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

Depreciation charge on additions / deletions is restricted to the period of use. Depreciation methods, useful lives and residual values are reviewed annually.

Assets costing individually upto Rs.10,000 are fully depreciated in the year of purchase.

2.4. Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful life as given below.

| S. No. | Category | Useful life of assets (Yrs.) |
|--------|--------------------|------------------------------|
| 1 | Software license | 3 |
| 2 | Technical Know how | 3 |

Amortization method and useful lives are reviewed annually.

2.5. Assets Held for Sale

Assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale in its present condition rather than through continuing use and are measured at the lower of carrying amount and fair value less costs to sell. No depreciation is provided, once the asset is transferred to Assets Held for Sale.

2.6. Leases

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: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

The Company recognizes a right-of-use asset 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 leases for low value underlying assets. For these short-term and leases for low value underlying assets, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that the option to extend the lease will be exercised/option to terminate the lease will not be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability

adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation/ amortization and impairment losses.

Right-of-use assets are depreciated/amortized from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right-of-use assets reflects that the purchase option will be exercised. Otherwise, Right-of-use assets are depreciated /amortized 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 rate. Lease liabilities are re-measured with a corresponding adjustment to the related right-of-use asset if the Company changes its assessment 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.

2.7. Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as

NOTES FORMING PART OF FINANCIAL STATEMENTS

to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognized.

2.8. Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalized as part of the cost of that asset. All other borrowing costs are charged to revenue.

2.9. Inventories

Inventories are stated at lower of weighted average cost and net realizable value. Cost of inventories comprises of purchase cost, cost of conversion and other cost including manufacturing overheads incurred in bringing the inventory to present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated 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 comparison of cost and net realisable value is made on an item-by-item basis.

2.10. Foreign Currency Transaction

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the Functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

Exchange differences on reinstatement of all monetary items are recognized in the Statement of Profit and Loss.

Derivative Financial instruments and Hedge Accounting

The Company is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Company has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Company enters into various foreign currency derivative contracts with Banks in the form of Forward currency contracts ('Hedging instrument') and recognize the financial assets / liabilities ('hedged item') through formal documentation of the hedging relationship in line with the Company's Foreign currency risk management policy.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity relating to effective portion as described above, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

2.11. Revenue Recognition

Sale of goods

Revenue, comprising of sale Automobile components for transportation industry, is recognised when performance obligation is satisfied and it is highly probable that a significant reversal will not occur. Revenue is recognised when control of the products being sold has transferred to customer and when there are no longer any unfulfilled obligations to the customer. This is generally on delivery to the customer but depending on individual customer terms, this can be at the time of dispatch or delivery. This is considered the appropriate point where the performance obligations are satisfied and the company no longer have control over the inventory. The transfer of control of products to customers is typically based on written sales terms that do not allow for a right of return.

Turnover comprises sales of goods after the deduction of discounts on sales. Discounts given includes rebates, price reductions, incentives given to customers and promotional couponing. Accumulated experience is used to estimate the discounts, using the most likely amount method;

NOTES FORMING PART OF FINANCIAL STATEMENTS

The products are sold for on credit terms. The credit terms, which are established in accordance with industry practices, typically require payment within 45 days of delivery and may allow discounts for early payment.

Other Operating Income

Export Incentives : Export incentives including Duty Drawback and entitlements under Merchandise Exports from India Scheme (MEIS) are accounted on accrual basis.

2.12. Insurance Claims : Insurance claims are accounted for on the basis of claims lodged with insurance company and to the extent that there is a reasonable certainty in realizing the claims.

2.13. Employee Benefits

1. Short - Term employee benefits

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

2. Defined Contribution Plans

Provident Fund

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

Superannuation Fund

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

3. Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end

of each year. Actuarial losses / gains are recognized in the other comprehensive income in the year in which they arise. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits

Compensated Absence

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

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognized in the Profit and Loss Statement in the year in which they arise.

2.14. Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognized as part of the part of OCI.

Deferred tax is recognized for all the temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognized and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets, if any and the same is recognized to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities

NOTES FORMING PART OF FINANCIAL STATEMENTS

representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation law.

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

2.15. Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

ii. Financial assets at fair value through profit or loss

A financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

iii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

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

2.16. Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

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

Level 3 — inputs that are unobservable for the asset or liability

2.17. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. All government grants are initially recognized by way of setting up as deferred income. Government grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are subsequently recognized in profit or loss on a systematic basis over the expected life of the related depreciable assets. Grants recognized in Profit and Loss as above are presented within other income.

2.18. Research & Development Expenditure

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

2.19. Provisions and Contingent Liabilities

Provisions : Provisions are recognized when there is a present obligation as result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.20. Earnings Per Share

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

3. Critical accounting judgements, assumptions and key sources of estimation uncertainty

The following are the critical judgements, assumptions concerning the future, and key sources of estimation

uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1. Useful lives of property, plant and equipment

As described at Note 2.3 above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2. Employee Benefits

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

3.3. Taxation

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements and tax expert opinions, including an estimation of the likely outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, based on estimates thereof.

3.4. Provisions and contingencies

Critical judgements are involved in measurement of provisions and contingencies and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

4. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. As at March 31, 2024, there are no Ind AS Standards/amendments that have been issued but are not yet effective.

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Note 2(A) : Property, Plant and Equipment

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Freehold land (Refer Note 18.3) | 2.29 | 2.29 |
| Buildings | 25.42 | 26.90 |
| Plant and equipment | 56.95 | 53.89 |
| Furniture and Fixtures | 0.48 | 0.57 |
| Office Equipments | 1.29 | 0.93 |
| Vehicles | 0.00 | 0.00 |
| Sub-Total | 86.43 | 84.58 |

(₹ in Crores)

| Gross Block | Freehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Office Equipment | Vehicles | Total |
|------------------------------|---------------|-----------|-------------------|----------------------|------------------|----------|--------|
| Balance as at March 31, 2022 | 1.98 | 36.87 | 191.10 | 2.00 | 3.75 | 0.01 | 235.71 |
| Additions | - | 1.79 | 19.73 | 0.47 | 0.68 | - | 22.67 |
| Transfers | 0.31 | - | - | - | - | - | 0.31 |
| Disposals | - | - | 0.37 | - | 0.03 | 0.00 | 0.40 |
| Balance as at March 31, 2023 | 2.29 | 38.66 | 210.46 | 2.47 | 4.40 | 0.01 | 258.29 |
| Additions | - | 0.24 | 18.45 | 0.09 | 1.05 | - | 19.83 |
| Transfers | - | - | - | - | - | - | - |
| Disposals | - | - | 0.30 | 0.27 | 0.15 | - | 0.72 |
| Balance as at March 31, 2024 | 2.29 | 38.90 | 228.61 | 2.29 | 5.30 | 0.01 | 277.40 |

(₹ in Crores)

| Accumulated depreciation | Freehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Office Equipment | Vehicles | Total |
|--------------------------------------|---------------|-----------|-------------------|----------------------|------------------|----------|--------|
| Balance as at March 31, 2022 | - | 10.09 | 140.78 | 1.78 | 3.10 | 0.01 | 155.76 |
| Depreciation expense | - | 1.67 | 16.16 | 0.12 | 0.40 | - | 18.35 |
| Eliminated on Disposals | - | - | 0.37 | - | 0.03 | 0.00 | 0.40 |
| Balance as at March 31, 2023 | - | 11.76 | 156.57 | 1.90 | 3.47 | 0.01 | 173.71 |
| Depreciation expense | - | 1.72 | 15.39 | 0.18 | 0.69 | - | 17.98 |
| Eliminated on Disposals | - | - | 0.30 | 0.27 | 0.15 | - | 0.72 |
| Balance as at March 31, 2024 | - | 13.48 | 171.66 | 1.81 | 4.01 | 0.01 | 190.97 |
| Carrying amount as at March 31, 2023 | 2.29 | 26.90 | 53.89 | 0.57 | 0.93 | 0.00 | 84.58 |
| Carrying amount as at March 31, 2024 | 2.29 | 25.42 | 56.95 | 0.48 | 1.29 | 0.00 | 86.43 |

The title deeds of all immovable properties are either held in the name of the Company or stand vested with the company pursuant to the respective schemes of amalgamation and/or merger approved by the relevant High Courts in respect of properties existing in the name of entities that have merged with the Company in earlier years. In respect of leased properties where the company is the lessee, lease agreements have been duly executed in favour of the company

Note 2(B) : Leases

(₹ in Crores)

a) Right-of-use Assets

| Particulars | Buildings | Vehicles | Total |
|------------------------------|-----------|----------|-------|
| Gross Block | | | |
| Balance as at March 31, 2022 | 2.05 | 0.20 | 2.25 |
| Additions | - | - | - |
| Disposals | - | 0.20 | 0.20 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | Buildings | Vehicles | Total |
|--------------------------------------|-----------|----------|-------|
| Balance as at March 31, 2023 | 2.05 | - | 2.05 |
| Additions | - | 0.40 | 0.40 |
| Disposals | - | - | - |
| Balance as at March 31, 2024 | 2.05 | 0.40 | 2.45 |
| Accumulated depreciation | | | |
| Balance as at March 31, 2022 | 0.54 | 0.18 | 0.72 |
| Eliminated on disposals | - | 0.21 | 0.21 |
| Depreciation expense | 0.73 | 0.03 | 0.76 |
| Balance as at March 31, 2023 | 1.27 | - | 1.27 |
| Eliminated on disposals | - | - | - |
| Depreciation expense | 0.72 | 0.06 | 0.78 |
| Balance as at March 31, 2024 | 1.99 | 0.06 | 2.05 |
| Carrying amount as on March 31, 2023 | 0.78 | - | 0.78 |
| Carrying amount as on March 31, 2024 | 0.06 | 0.34 | 0.40 |

b) Movement in Lease liabilities

(₹ in Crores)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|-----------------------------------------|------------------------------|------------------------------|
| Opening Balance | 0.88 | 1.62 |
| Additions | 0.40 | - |
| Finance costs accrued during the period | 0.07 | 0.11 |
| Deletions | - | - |
| Payment of Lease liabilities | (0.93) | (0.85) |
| Closing Balance | 0.42 | 0.88 |

c) Other disclosures in relation to Leases

(₹ in Crores)

| Particulars | Year Ended March 31, 2024 | Year Ended March 31, 2023 |
|---------------------------------------------|------------------------------|------------------------------|
| Interest Expense on Lease Liabilities | Refer Note 25 | Refer Note 25 |
| Lease expenses related to short term leases | 0.14 | 0.14 |
| Lease expenses related to low value assets | - | - |
| Total Cash Outflow for Leases | 1.06 | 0.99 |
| Current / Non-Current Lease liabilities | Refer Note 14(A) | Refer Note 14(A) |
| Maturity Analysis of Lease Obligation | Refer Note 32.3.3 | Refer Note 32.3.3 |

Note 2(C) : Projects in Progress

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------|-------------------------|-------------------------|
| - Plant & Equipment | 10.60 | 4.93 |
| - Office Equipment | 0.10 | 0.08 |
| - Buildings | 0.11 | - |
| - Licenses | 0.11 | - |
| Total | 10.92 | 5.01 |

(₹ in Crores)

| Capital Work-in-progress Ageing | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------|-------------------------|-------------------------|
| - Less than 1 year | 10.72 | 4.81 |
| - 1-2 years | 0.20 | 0.20 |
| - 2-3 years | - | - |
| - More than 3 years | - | - |
| Total | 10.92 | 5.01 |

For capital-work-in progress, whose completion is overdue compared to its original plan, the project wise details of when the project is expected to be completed is given below: (₹ in Crores)

| Projects in progress | To be completed in | | | |
|----------------------------------|--------------------|-------------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| As at March 31, 2024 | | | | |
| Industrial 4.0 IOT Device | 0.02 | - | - | - |
| Product costing software | - | 0.08 | - | - |
| IH Power Source and Automation | 0.05 | - | - | - |
| Vision based automation | 0.03 | - | - | - |
| Network Arrangement | 0.02 | - | - | - |
| Total | 0.12 | 0.08 | - | - |
| As at March 31, 2023 | | | | |
| ACE & ETR Machine motor derating | 0.05 | - | - | - |

Note 2(D) : Intangible Assets

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------|----------------------|----------------------|
| Carrying amounts of: | | |
| Software Licenses | 0.40 | 0.33 |
| Total | 0.40 | 0.33 |

(₹ in Crores)

| Particulars | Internally Generated Process Knowhow | Software Licenses | Total |
|------------------------------------------------|--------------------------------------|-------------------|-------|
| Gross Block | | | |
| Balance as at March 31, 2022 | 0.33 | 0.82 | 1.15 |
| Additions | - | 0.21 | 0.21 |
| Disposals | - | - | - |
| Balance as at March 31, 2023 | 0.33 | 1.03 | 1.36 |
| Additions | - | 0.32 | 0.32 |
| Disposals | - | - | - |
| Balance as at March 31, 2024 | 0.33 | 1.35 | 1.68 |
| Accumulated depreciation and impairment | | | |
| Balance as at March 31, 2022 | 0.33 | 0.52 | 0.85 |
| Eliminated on disposals | - | - | - |
| Amortisation expense | - | 0.18 | 0.18 |
| Balance as at March 31, 2023 | 0.33 | 0.70 | 1.03 |
| Eliminated on disposals | - | - | - |
| Amortisation expense | - | 0.25 | 0.25 |
| Balance as at March 31, 2024 | 0.33 | 0.95 | 1.28 |
| Carrying amount as on March 31, 2023 | - | 0.33 | 0.33 |
| Carrying amount as on March 31, 2024 | - | 0.40 | 0.40 |

Note 3 : Non-Current Investments

(₹ in Crores)

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-----------------------------------------------------------|----------------------|--------|----------------------|--------|
| | Quantity | Amount | Quantity | Amount |
| Unquoted Investments | | | | |
| Investment in Equity instruments at FVTPL (Fully Paid up) | | | | |
| Capsol Energy Private Limited of ₹ 10.each | 900,000 | 0.90 | 900,000 | 0.90 |
| Shree MTK Textiles Private Limited of ₹ 100.each | 3,780 | 1.21 | 3,780 | 1.21 |
| CWRE Wind Power Private Limited of ₹ 10.each | 568 | 0.00 | 568 | 0.00 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|-------------------------------------------------------|-------------------------|-------------|-------------------------|-------------|
| | Quantity | Amount | Quantity | Amount |
| Clean Wind Power (Manvi) Private Limited of ₹ 10.each | 43,200 | 0.04 | 43,200 | 0.04 |
| Atria Wind (Kadambur) Private Limited of ₹ 10.each | 24,000 | 0.53 | - | - |
| AMP Energy C&I Eight Private Limited of ₹ 10.each | 192,500 | 0.19 | - | - |
| Total Unquoted Investments | | 2.87 | | 2.15 |

Note 4 : Other Financial Assets

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Unsecured and considered good unless otherwise stated : | | | | |
| Security Deposits | 4.84 | 4.83 | - | - |
| Rent Deposits | 0.35 | 0.33 | 0.01 | 0.01 |
| Interest accrued on Deposits | - | - | 0.27 | 0.23 |
| Forward Contracts / Derivatives (Net) | - | - | 0.11 | - |
| Rebate of GST on Exports Receivable | - | - | 1.68 | 1.43 |
| Duty Drawback Receivable | - | - | 1.35 | 0.97 |
| Insurance Claims Receivable | - | - | 0.00 | 0.01 |
| Loans to employees | - | - | 0.08 | 0.18 |
| Total | 5.19 | 5.16 | 3.50 | 2.83 |

Note 5 : Other Assets

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|---------------------------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Unsecured and considered good unless otherwise stated : | | | | |
| Capital Advances | 1.17 | 0.88 | - | - |
| Prepaid Expenses | - | - | 2.72 | 2.62 |
| MEIS/RODTEP Scrips received | - | - | 0.01 | 0.12 |
| Advances to Employees | - | - | 0.17 | 0.15 |
| Balance with government authorities | | | | |
| Customs Duty | | | 0.81 | 0.25 |
| Other Advances | | | | |
| Considered Good * | - | - | 2.24 | 1.92 |
| Total | 1.17 | 0.88 | 5.95 | 5.06 |

*Other Advances - considered good includes due from related parties of ₹0.12 Crores

Note 6 : Inventories

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------|-------------------------|-------------------------|
| Valued at Lower of Cost or Realisable value | | |
| Raw Materials (including Goods in Transit) | 24.22 | 27.45 |
| Work in Progress | 24.41 | 21.98 |
| Finished Goods (Refer Note. No.6.3) | 19.82 | 25.19 |
| Stock in Trade | 2.62 | 2.15 |
| Stores and Spares | 16.23 | 14.84 |
| Total | 87.30 | 91.61 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

- 6.1 The cost of inventories recognized as an expense during the year is as per Note No. 21 to 23.
- 6.2 The cost of inventories recognized as an expense includes ₹(0.76) Crores (during 2022-23: ₹0.39 Crores) in respect of write-downs of inventory to net realizable value.
- 6.3 Finished Goods includes Goods in Transit of ₹4.76 Crores (₹6.20 Crores).
- 6.4 The mode of valuation of inventories has been stated in Note 1.2.9.

Note 7 : Trade Receivables

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------|-------------------------|-------------------------|
| Unsecured | | |
| Trade Receivables - Considered good (Refer Note. No.7.2) | 113.76 | 107.91 |
| Trade Receivables - Credit impaired | 3.52 | 2.41 |
| | 117.28 | 110.32 |
| Expected credit loss allowance | (3.52) | (2.41) |
| Total | 113.76 | 107.91 |

7.1. Trade Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on historical 'flow rate' of trade receivables based on their ageing over a rolling period of past 24 months. This methodology takes into account the sum of the product of: a) balance as at the evaluation date in each age bucket, b) probability of default for the respective age bucket and c) loss given default. The range of provision created as a percentage of outstanding under various age groups below 120 days past due ranges between 0.26% to 14.95%.

(₹ in Crores)

| Movement in expected credit loss allowance | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------------|------------------------------|------------------------------|
| Balance at beginning of the year | 2.41 | 0.98 |
| Amount added during the year | 1.11 | 1.43 |
| Amount written back during the year | (0.00) | - |
| Balance at end of the year | 3.52 | 2.41 |

7.2. Trade Receivables - considered good includes due from related parties of ₹0.41 Crores (₹0.07 Crores)

7.3. Trade Receivables Ageing Schedule

(₹ in Crores)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|--------------------|------------------------------------------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|------------------------|--------------------|
| | Undisputed Dues | | | | Disputed Dues* | | | |
| | As at March 31 2024 | | As at March 31 2023 | | As at March 31 2024 | | As at March 31 2023 | |
| | considered good | credit impaired | considered good | credit impaired | considered good | credit impaired | considered good | credit impaired |
| Not Due | 94.38 | 0.26 | 88.05 | 0.26 | - | - | - | - |
| Less than 6 months | 19.38 | 1.97 | 19.86 | 0.94 | - | - | - | - |
| 6 months -1 year | - | 0.59 | - | 0.47 | - | - | - | - |
| 1-2 years | - | 0.50 | - | 0.60 | - | - | - | - |
| 2-3 years | - | 0.12 | - | 0.06 | - | - | - | - |
| More than 3 years | - | 0.08 | - | 0.08 | - | - | - | - |
| Total | 113.76 | 3.52 | 107.91 | 2.41 | - | - | - | - |

*There are no trade receivables that are overdue on account of any outstanding legal disputes

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 8 : Cash and Cash Equivalents

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | | |
| Balance with banks | | |
| In Current Accounts | 2.43 | 0.45 |
| In Deposit Accounts | - | 7.50 |
| Cash on hand | 0.02 | 0.01 |
| Total | 2.45 | 7.96 |
| Bank balances other than above | | |
| Earmarked balances with banks | | |
| Unclaimed Dividend accounts | 0.03 | 0.03 |
| Total | 0.03 | 0.03 |

Note 9 : Tax Assets / Liabilities (Net)

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Tax Assets | | |
| Advance Income Tax (including Tax Deducted at Source) | 50.20 | 67.53 |
| Less : Provision for Income Tax | (44.72) | (61.91) |
| Total | 5.48 | 5.62 |
| Current Tax Liabilities | | |
| Provision for Tax (Net of Advance Tax & TDS) | 3.27 | - |
| | 2.21 | 5.62 |

Note 10: Deferred Tax

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

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------|-------------------------|-------------------------|
| Deferred tax assets | 31.25 | 32.22 |
| Deferred tax liabilities | - | - |
| Total | 31.25 | 32.22 |

(₹ in Crores)

| 2023-24 | Opening balance | Recognized in profit or loss | Recognized in Other comprehensive income | Recognized directly in other equity | Closing balance |
|--------------------------------------------------------------|-----------------|------------------------------|------------------------------------------|-------------------------------------|-----------------|
| Deferred tax Asset/ (Liability) in relation to | | | | | |
| Property plant and equipment and Intangible Assets | 5.63 | 0.72 | - | - | 6.35 |
| Expenses allowable under tax on actual payment basis | 6.29 | 0.72 | (0.40) | - | 6.61 |
| Voluntary Retirement Compensation Scheme | 1.13 | (0.39) | - | - | 0.74 |
| Amalgamation Expenses | - | 0.42 | | | 0.42 |
| Provision for doubtful debts | 0.84 | 0.38 | - | - | 1.22 |
| Unused Tax losses - unabsorbed depreciation | 16.06 | (6.07) | - | - | 9.99 |
| Unused Tax Credit - MAT Credit Entitlement (Refer Note 10.1) | 2.27 | 3.65 | - | - | 5.92 |
| Net Deferred Tax Asset / (Liability) | 32.22 | (0.56) | (0.40) | - | 31.25 |

10.1 Considering the forecasts of future performance and resultant cash flows, the management is of the opinion that the balance deferred tax assets available as at the year end will be realized against future taxable profits.

NOTES FORMING PART OF FINANCIAL STATEMENTS

10.2 Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 ("the Ordinance") issued on September 20, 2019, corporate assesseees have been given an option to apply a lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. Based on an evaluation of the comparative tax costs considering the future performance forecasts, the management is of the opinion that it would not be beneficial for the company to avail the option under the Ordinance as above till the year in which the company's unused tax losses and MAT Credit entitlements are fully utilised. Accordingly, there is no impact at present in the measurement of tax expense for the year ended March 31, 2024 and the Deferred Tax Asset (net) as on that date.

Note 11 : Authorized Share Capital

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|----------------------------------------------------------------------------|-------------------------|-------------------------|
| Authorized Share Capital | | |
| 1,23,50,000 Equity Shares (1,23,50,000 Equity Shares) of ₹ 10 each | 12.35 | 12.35 |
| 1,50,000 13.5% Preference Shares (1,50,000 Preference Shares) of ₹ 10 each | 0.15 | 0.15 |
| | 12.50 | 12.50 |
| Issued, Subscribed and Fully Paid Up | | |
| 72,34,455 Equity Shares (70,62,634 Equity Shares) of ₹ 10 each | 7.23 | 7.06 |
| | 7.23 | 7.06 |

11.1. Reconciliation of number of shares

(₹ in Crores)

| Particulars | 2023-24 | | 2022-23 | |
|-------------------------------------------------|--------------|--------|--------------|--------|
| | No of Shares | Amount | No of Shares | Amount |
| Equity Shares of ₹ 10 each fully paid up | | | | |
| At the beginning of the period | 7,062,634 | 7.06 | 67,18,992 | 6.72 |
| Additions / (Deletions) during the year | 171,821 | 0.17 | 3,43,642 | 0.34 |
| At the end of the period | 7,234,455 | 7.23 | 70,62,634 | 7.06 |

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

| Name of Shareholder | As at March 31, 2024 | | As at March 31, 2023 | |
|--------------------------------------------|----------------------|--------------|----------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Rane Holdings Limited, the Holding Company | 4,216,951 | 58.29 | 40,45,130 | 57.28 |
| Enam Securities Private Limited | 478,890 | 6.62 | 4,78,890 | 6.78 |

11.3. Details of promoter and promoter group's shareholding in the company:

| Name of Promoter | As at March 31, 2024 | | As at March 31, 2023 | | Percentage of change during the year |
|-----------------------------------------------|----------------------|--------------|----------------------|--------------|--------------------------------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding | |
| Malavika Lakshman & Harish Lakshman | 1,250 | 0.02% | 1,250 | 0.02% | - |
| Narayanaswamy Sundaresan (Chitra Sundaresan)* | 189 | 0.00% | 189 | 0.00% | - |
| Ganesh Lakshminarayan & Meenakshi Ganesh | 85 | 0.00% | 85 | 0.00% | - |
| Pushpa Lakshman & Lakshman Lakshminarayan | 50 | 0.00% | 50 | 0.00% | - |
| Vinay Lakshman | 50 | 0.00% | 50 | 0.00% | - |
| Harish Lakshman | 50 | 0.00% | 50 | 0.00% | - |
| Meenakshi Ganesh & Ganesh Lakshminarayan | 50 | 0.00% | 50 | 0.00% | - |
| Lakshman Lakshminarayan & Pushpa Lakshman | 50 | 0.00% | 50 | 0.00% | - |
| Aparna Ganesh | 50 | 0.00% | 50 | 0.00% | - |
| Aditya Ganesh | 50 | 0.00% | 50 | 0.00% | - |
| Total | 1,874 | 0.03% | 1,874 | 0.03% | |

* Shares held by Mrs.Chitra Sundaresan got transferred on account of her demise during the year ended March 31, 2024 to her husband Mr.Narayanaswamy Sundaresan.

NOTES FORMING PART OF FINANCIAL STATEMENTS

11.4. The Company has one class of shares i.e. equity shares having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend if any proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to share holding.

Note 12 : Other Equity

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---------------------------------------|-------------------------|-------------------------|
| Capital Reserve | 1.34 | 1.34 |
| General Reserve | 132.95 | 132.95 |
| Money received against share warrants | - | 1.25 |
| Securities Premium | 14.48 | 9.66 |
| Retained Earnings | (35.19) | (47.40) |
| Total | 113.58 | 97.80 |

12.1. Capital Reserve

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Opening Balance | 1.34 | 1.34 |
| Add : Additions during the year | - | - |
| Less : Deductions during the year | - | - |
| Closing balance | 1.34 | 1.34 |

12.2. General Reserve

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Opening Balance | 132.95 | 132.95 |
| Add : Additions during the year | - | - |
| Less : Deductions during the year | - | - |
| Closing balance | 132.95 | 132.95 |

General reserve is created from time to time by transferring profits from retained earnings and can be utilized for purposes such as dividend payout, bonus issue, etc.

12.3. Money received against share warrants

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------|-------------------------|-------------------------|
| Opening Balance | 1.25 | 3.75 |
| Add : Additions during the year | 3.75 | 7.50 |
| Less : Deductions during the year | 5.00 | 10.00 |
| Closing balance | - | 1.25 |

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

During the year ended March 31, 2022, the company has allotted 5,15,463 warrants convertible into equity shares to Rane Holdings Limited (the holding company) on preferential basis at a price of ₹291 per warrant, carrying a right to subscribe to one equity share per Warrant. As per the terms of issue, 25% of the warrant price amounting to ₹3.75 Crores was received at the time of subscription these warrants are convertible into equity shares of the Company within a period of 18 months from the date of allotment of warrants.

During the year ended March 31, 2023, out of 5,15,463 warrants, 3,43,642 warrants were converted to equity shares and on conversion the Company received ₹7.5 crores from Rane Holdings Limited as warrant exercise price towards such conversion and has allotted equivalent equity shares of ₹10/- each fully paid. Consequently, the issued and paid up capital of the Company as on March 31, 2023 stands increased to ₹7.06 crores.

NOTES FORMING PART OF FINANCIAL STATEMENTS

During the year ended March 31, 2024, balance 1,71,821 warrants were converted to equity shares and on conversion the Company received ₹3.75 crores from Rane Holdings Limited as warrant exercise price towards such conversion and has allotted equivalent equity shares of ₹10/- each fully paid. Consequently, the issued and paid up capital of the Company as on March 31, 2024 stands increased to ₹7.23 crores.

12.4. Securities Premium

(₹ in Crores)

| Particulars | As at | As at |
|-----------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Opening Balance | 9.66 | - |
| Add : Additions during the year | 4.82 | 9.66 |
| Less : Deductions during the year | - | - |
| Closing balance | 14.48 | 9.66 |

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

Additions during the year represents Premium received on fresh issue of equity shares to Rane Holdings Limited on conversion of share warrants

12.5. Retained Earnings

(₹ in Crores)

| Particulars | As at | As at |
|----------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Balance at the beginning of the year | (47.40) | (47.60) |
| Add:- | | |
| Net Profit/(Loss) after tax transferred from Statement of Profit and Loss | 11.46 | (0.06) |
| Other comprehensive income / (Loss) arising from remeasurement of defined benefit obligation net of income tax | 0.75 | 0.26 |
| Closing Balance | (35.19) | (47.40) |

In respect of the year ended March 31, 2024, the directors proposed that a dividend of ₹5 per share (previous year ₹ Nil), be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹3.62 crores (previous year ₹ Nil).

Note 13 : Borrowings

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|---------------------------------------------------------|----------------|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Secured | | | | |
| Term Loans from Banks (Refer Note 13.1 & 13.2) | 42.78 | 44.30 | 14.32 | 15.78 |
| Loans repayable on demand from banks (Refer Note 13.3.) | - | - | 62.00 | 72.18 |
| Unsecured | | | | |
| Bill Discounting from Banks (Refer Note 13.3. (ii)) | - | - | 2.66 | 4.17 |
| Total | 42.78 | 44.30 | 78.98 | 92.13 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

13.1. Details of the long term borrowings

| Particulars | Repayment Start Date | O/s. Amt. as on March 31, 2024 (₹ Crores) | Current Maturities (₹ Crores) | Instalment Amt. (₹ Crores) | No. of Quarterly/ Monthly Instalments as per agreement |
|------------------------------------------------------------|----------------------|----------------------------------------------|----------------------------------|-------------------------------|-----------------------------------------------------------|
| Rupee Term Loans | | | | | |
| HDFC Bank Ltd | | | | | |
| Loan 4 | Apr-2022 | 3.66 | 3.67 | 0.92 | 12 |
| Yes Bank Ltd | Sep-2024 | 14.98 | 3.75 | 1.25 | 12 |
| IndusInd Bank Ltd | Sep-2024 | 15.86 | 1.21 | - | 16 |
| Emergency Credit Line Guarantee Scheme(ECLGS) Loans | | | | | |
| HDFC Bank Ltd | | | | | |
| Loan 1 | Apr-2022 | 5.38 | 2.58 | 0.22 | 49 |
| Loan 2 | May-2025 | 10.93 | - | - | 48 |
| Federal Bank Ltd | Apr-2022 | 6.29 | 3.11 | - | 46 |
| Total | | 57.10 | 14.32 | | |

13.2.

- i) Rupee Term loans are secured by Pari-passu basis first charge on the company's immovable and movable fixed assets both present and future.
- ii) ECLGS loans are secured as stated below:
HDFC Bank Ltd - Secured by second rank charge on all existing primary and collateral securities including mortgages created in favour of the Bank.
Federal Bank Ltd - Security interest/charge on all movable/immovable assets created out of the ECLGS Loan. Second charge on all primary and collateral securities available for the existing facilities with us.

13.3

- i) Short term borrowings are secured with first pari-passu charge by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company, both present and future.
- ii) Bill discounting from Banks represents liability in respect of vendor financing facility availed by certain Customers with recourse to the Company.
- iii) None of the above loans have been guaranteed by any Directors or others.

13.4 Quarterly stock statements filed by the Company with banks along with reconciliation and reasons for differences is as follows: (₹ in Crores)

| Name of Banks | Particulars of information submitted | Quarter | Amount as per books of account | Amount as reported in the quarterly return/statement | Amount of difference | Reason for material differences |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------|--------------------------------|------------------------------------------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------|
| (i) HDFC Bank Limited (ii) Standard Chartered Bank (iii) IndusInd Bank Limited (iv) Yes Bank Limited (v) Federal Bank Limited | Inventories | Jun-23 | 86.96 | 91.99 | (5.03) | Internal provisions are not considered in the quarterly statements submitted to bank |
| | | Sep-23 | 87.10 | 92.88 | (5.78) | |
| | | Dec-23 | 87.91 | 93.33 | (5.42) | |
| | | Mar-24 | 87.30 | 94.76 | (7.46) | |
| | Trade Payables | Jun-23 | 80.62 | 41.12 | 39.50 | Unbilled expenses/provisions and non-stock bills under trade payables are not considered in the quarterly statements submitted to bank |
| | | Sep-23 | 88.33 | 40.36 | 47.97 | |
| | | Dec-23 | 82.67 | 35.45 | 47.22 | |
| | | Mar-24 | 78.57 | 32.71 | 45.86 | |
| | Trade Receivables | Jun-23 | 109.66 | 108.08 | 1.58 | Debtors above 90 days are not considered in the quarterly statements submitted to bank |
| | | Sep-23 | 107.61 | 105.58 | 2.03 | |
| | | Dec-23 | 103.34 | 104.66 | (1.32) | |
| | | Mar-24 | 113.76 | 112.97 | 0.78 | |

NOTES FORMING PART OF FINANCIAL STATEMENTS

13.5 The Company has used the borrowings from banks availed during the year for the specific purpose for which it was taken.

13.6 There has been no default as on Balance Sheet date in repayment of principal and interest.

Note 14(A) : Lease Liabilities

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|-----------------------------------------|----------------|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Lease obligations(Refer Note No. 2B(b)) | 0.28 | 0.07 | 0.14 | 0.81 |
| Total | 0.28 | 0.07 | 0.14 | 0.81 |

Note 14(B) : Other Financial Liabilities

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|-----------------------------------------------------|----------------|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Interest accrued but not due on borrowings | - | - | 0.63 | 0.57 |
| Unclaimed Dividends (Refer Note. No.35) | - | - | 0.03 | 0.03 |
| Security / Trade Deposits | 0.98 | 0.92 | 0.14 | 0.20 |
| Employee Related dues | - | - | 8.93 | 6.92 |
| Payable on Purchase of Fixed Assets | - | - | 2.49 | 1.52 |
| Provision for Forward Contracts / Derivatives (Net) | - | - | - | 0.06 |
| Others | - | - | 0.01 | 0.01 |
| Total | 0.98 | 0.92 | 12.23 | 9.31 |

Note 15 : Provisions

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|-------------------------------------------------|----------------|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Provision for employee benefits (Refer Note 29) | | | | |
| Gratuity (Funded) | 4.95 | 7.51 | 1.53 | 0.65 |
| Leave Encashment (Unfunded) | 7.06 | 7.56 | 2.01 | 0.57 |
| Total | 12.01 | 15.07 | 3.54 | 1.22 |

Note 16 : Trade Payables

(₹ in Crores)

| Particulars | As at | As at |
|----------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Micro & Small Enterprises (Refer Note No.38) | 6.57 | 5.58 |
| Related Parties | 1.50 | 1.29 |
| Others | 70.50 | 71.40 |
| Total | 78.57 | 78.27 |

16.1. Trade Payables Ageing Schedule

(₹ in Crores)

| Particulars | Outstanding for following periods from due date of payment | | | | | | | |
|-------------------|------------------------------------------------------------|--------------|---------------|--------------|----------------|----------|---------------|----------|
| | Undisputed Dues | | | | Disputed Dues* | | | |
| | As at | | As at | | As at | | As at | |
| | March 31 2024 | | March 31 2023 | | March 31 2024 | | March 31 2023 | |
| MSME | Others | MSME | Others | MSME | Others | MSME | Others | |
| Not Due | 6.04 | 63.94 | 4.84 | 66.01 | - | - | - | - |
| Less than 1 Year | 0.52 | 7.97 | 0.74 | 6.65 | - | - | - | - |
| 1-2 years | 0.01 | 0.07 | 0.00 | 0.01 | - | - | - | - |
| 2-3 years | - | 0.00 | - | 0.00 | - | - | - | - |
| More than 3 years | - | 0.02 | - | 0.02 | - | - | - | - |
| Total | 6.57 | 72.00 | 5.58 | 72.69 | - | - | - | - |

*There are no trade payables that are overdue on account of any outstanding legal disputes

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 17 : Other Liabilities

(₹ in Crores)

| Particulars | Non-Current | | Current | |
|------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| Advance from Customers | - | - | 0.23 | 0.62 |
| Statutory Dues | - | - | 2.84 | 3.04 |
| Deferred Income | 0.13 | 0.28 | 0.31 | 1.23 |
| Total | 0.13 | 0.28 | 3.38 | 4.89 |

Note 18 : Contingent Liabilities and Commitments

18.1. Contingent Liabilities

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-----------------------------------------------------|-------------------------|-------------------------|
| Claims against the company not acknowledged as debt | | |
| Income Taxes | 0.67 | 2.39 |
| Indirect Taxes | 0.52 | 0.52 |
| Others | 0.13 | 0.73 |
| Total | 1.32 | 3.64 |

a) It is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. Future cash outflows in respect of the above are determinable only on receipt of the judgements/decisions pending with various forums/authorities.

b) The Company does not expect any reimbursements from third parties in respect of the above contingent liabilities.

18.2. Capital Commitments

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 4.97 | 6.45 |

18.3. Other commitments

Based on expert opinion obtained by the company, no liability has been presently created in the books towards the levies and costs in connection with mutating / substituting the title in the revenue records pertaining to certain immovable properties that stand vested with the Company pursuant to a merger in earlier years.

Note 19 : Revenue from Operations

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------------------------|------------------------------|------------------------------|
| Revenue from contracts with customers | | |
| Sale of products (Refer Note No. 19.1, 19.2 & 19.3) | 556.00 | 485.91 |
| Sale of services | 0.01 | 0.30 |
| Other operating revenues (Refer Note No.19.4) | 10.74 | 11.36 |
| Total | 566.75 | 497.57 |

19.1. Sale of Products Comprises :

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------|------------------------------|------------------------------|
| Manufactured Goods | | |
| Valves | 513.69 | 447.56 |
| Guides | 21.97 | 25.53 |
| Tappets | 2.43 | 2.49 |
| | 538.09 | 475.58 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------|------------------------------|------------------------------|
| Traded Goods | | |
| Valves | 15.84 | 13.85 |
| Piston Assembly | 1.98 | 1.17 |
| Valve Stem Seal | 0.08 | 0.09 |
| | 17.91 | 15.11 |
| Total | 556.00 | 490.69 |

19.2. Contract Balances: (₹ in Crores)

The following disclosure provides information about receivables, contract assets and liabilities from contracts with customer:

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------------------------------|------------------------------|------------------------------|
| Receivables, included under trade receivables | 113.76 | 107.91 |
| Contract liabilities included under advance from customers | 0.23 | 0.62 |

19.3 Reconciliation of revenue recognised with contract price (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------------------------|------------------------------|------------------------------|
| Revenue as per contracted price | 561.34 | 490.69 |
| Adjustments for: | | |
| Discounts | (5.34) | (4.78) |
| Total revenue from contract with customers | 556.00 | 485.91 |

19.4 Other Operating Revenue Comprises (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------|------------------------------|------------------------------|
| Sale of Materials | 3.15 | 3.35 |
| Sale of Scrap | 5.13 | 5.61 |
| Sale of Tools | 0.02 | - |
| Export Incentive Receipts | 2.44 | 2.40 |
| Total | 10.74 | 11.36 |

Note 20 : Other Income (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------------------------------|------------------------------|------------------------------|
| Interest Income - On Financial Assets (at amortized cost) | 0.35 | 0.31 |
| Interest on Income Tax Refund | 0.50 | 0.37 |
| Profit on Sale of Assets (Net) | - | 0.05 |
| Provision no longer required and balances written back | 0.31 | 0.63 |
| Other non-operating income | 2.43 | 0.70 |
| Total | 3.59 | 2.06 |

Note 21 : Cost of Raw Materials Consumed (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------|------------------------------|------------------------------|
| Opening Stock | 27.45 | 27.01 |
| Add : Purchases | 200.49 | 184.88 |
| Less : Closing Stock | 24.22 | 27.45 |
| Sub-Total (Refer Note 27.2) | 203.72 | 184.44 |
| Freight Inward | 3.69 | 3.36 |
| Job Work Expenses | 25.82 | 22.13 |
| Total | 233.23 | 209.94 |

Consumption based accounting is followed for the issue of materials and accordingly purchase is a derived figure.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 22 : Purchase of Stock-in-Trade

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------|------------------------------|------------------------------|
| Valves | 9.06 | 8.09 |
| Piston Assembly | 1.33 | 0.67 |
| Valve Stem Seal | 0.05 | 0.04 |
| Total | 10.44 | 8.80 |

Note 23 : Changes in inventories

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------------|------------------------------|------------------------------|
| Inventories at the beginning of the year: | | |
| Finished goods | 25.19 | 27.90 |
| Work-in-progress | 21.98 | 16.08 |
| Stock-in-Trade | 2.15 | 2.70 |
| Total | 49.32 | 46.68 |
| Less: Inventories at the end of the year: | | |
| Finished goods | 19.82 | 25.19 |
| Work-in-progress | 24.41 | 21.98 |
| Stock-in-Trade | 2.62 | 2.15 |
| Total | 46.85 | 49.32 |
| Net (increase) / decrease | 2.47 | (2.64) |

Note 24 : Employee Benefits Expense

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------------------------------|------------------------------|------------------------------|
| Salaries and Wages | 115.79 | 104.48 |
| Contributions to Provident and other Funds (Refer Note 29) | 6.01 | 4.21 |
| Contributions to Gratuity (Refer Note 29) | 1.87 | 2.14 |
| Staff welfare expenses | 15.35 | 13.67 |
| Total | 139.02 | 124.50 |

Note 25 : Finance Costs

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|--------------------------------------------------------------------|------------------------------|------------------------------|
| Borrowing Cost on Loans carried at amortized cost | | |
| Interest expense | | |
| - Term Loans | 5.35 | 3.91 |
| - Bank Overdrafts & Others | 4.65 | 5.20 |
| - Lease Obligations | 0.07 | 0.10 |
| Other borrowing costs | 0.04 | 0.02 |
| Net (gain) / loss on foreign currency transactions and translation | 0.02 | 0.82 |
| | 10.13 | 10.05 |
| Finance costs on liabilities carried at amortized cost | 0.06 | 0.06 |
| Total | 10.19 | 10.11 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 26 : Other Expenses

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------------------------------------|------------------------------|------------------------------|
| Stores and Tools consumed (Refer Note No.27.3) | 35.41 | 31.47 |
| Power and Fuel | 32.58 | 29.80 |
| Trade Mark Fees | 2.78 | 2.43 |
| Repairs and Maintenance | | |
| Plant and Equipment | 17.24 | 15.28 |
| Buildings | 0.01 | 0.08 |
| Others | 3.67 | 3.28 |
| Rent | 0.14 | 0.14 |
| Insurance | 2.79 | 2.27 |
| Rates and Taxes | 1.72 | 0.83 |
| Travelling and Conveyance | 3.72 | 3.51 |
| Printing & Stationery | 0.44 | 0.39 |
| Postage & Telecom Expenses | 0.33 | 0.34 |
| Professional and legal expenses | 5.79 | 5.00 |
| Information Systems | 2.77 | 2.64 |
| Selling and Distribution Expenses | | |
| Packing and Forwarding | 10.71 | 10.08 |
| Freight Outward | 8.43 | 8.81 |
| Advertisement and Sales Promotion | 1.18 | 1.00 |
| Commission | 0.16 | 0.08 |
| Expected Credit Loss allowance | 1.11 | 1.43 |
| Directors' Sitting Fees | 0.10 | 0.09 |
| Auditor's Remuneration (Refer Note No.27.1) | 0.22 | 0.21 |
| Assets Written Off | 0.00 | 0.00 |
| Advances / Claims Written Off | - | 0.05 |
| Exchange Loss (Net) - Other than considered under Finance Costs | 0.41 | 0.88 |
| Bank Charges | 0.59 | 0.44 |
| Administrative Expenses | 0.06 | 0.05 |
| Donations | - | 0.01 |
| Miscellaneous Expenses | 2.51 | 2.22 |
| Total | 134.87 | 122.81 |

Note 27.1 : Auditor's Remuneration

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------|------------------------------|------------------------------|
| a. as auditors - statutory audit | 0.12 | 0.11 |
| b. as auditors - limited review | 0.08 | 0.07 |
| c. for tax audit | 0.02 | 0.02 |
| d. for other services * | 0.01 | 0.01 |
| Total | 0.23 | 0.21 |

* Other services of current year includes Rs.0.05 Crores paid for obtaining certificate related to amalgamation process and is considered as exceptional expenditure

Note 27.2 : Raw Materials Consumed

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------|------------------------------|------------------------------|
| Imported | 59.31 | 43.01 |
| Imported % to total | 29.12% | 23.32% |
| Indigenous | 144.41 | 141.43 |
| Indigenous % to total | 70.88% | 76.68% |
| Total | 203.72 | 184.44 |
| Total % | 100.00% | 100.00% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 27.3. : Stores and Tools Consumed

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------|------------------------------|------------------------------|
| Imported | 1.04 | 0.51 |
| Imported % to total | 2.93% | 1.63% |
| Indigenous | 34.37 | 30.96 |
| Indigenous % to total | 97.07% | 98.37% |
| Total | 35.41 | 31.47 |
| Total % | 100.00% | 100.00% |

Note 27.4. : CIF Value of Imports

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------|------------------------------|------------------------------|
| Raw materials; | 54.45 | 44.41 |
| Components and spare parts; | 2.40 | 1.12 |
| Capital goods; | 2.53 | 8.37 |
| Total | 59.38 | 53.90 |

Note 27.5. : Expenditure in foreign currency

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|------------------------------------|------------------------------|------------------------------|
| Professional and consultation fees | 0.43 | 0.41 |
| Marketing Service Fees | 0.96 | 0.93 |
| Job Charges/Segregation charges | 2.79 | 2.20 |
| Foreign Travel | 0.01 | 0.07 |
| Others | 0.25 | 0.46 |
| Total | 4.44 | 4.07 |

Note 27.6. : Earnings in Foreign Currency

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------------------------------------------|------------------------------|------------------------------|
| Export of goods calculated on F.O.B. basis (including deemed exports) | 191.21 | 169.13 |

Note 28 : Related party Disclosures

List of related parties where control exists

(i) Holding company (Parent) : Rane Holdings Limited (RHL)

Other related parties where transactions have taken place during the year

(ii) Key Management Personnel : Mr S Rajkumar, Manager & President
Mr L Ganesh - Chairman (KMP of Parent entity) - upto March 31, 2024
Mr Harish Lakshman - Vice Chairman (KMP of Parent entity) -
till March 31, 2024; Chairman (w.e.f April 01, 2024)(iii) Fellow Subsidiaries / Associates /
Joint ventures of other entities : Rane Madras Limited (RML)
Rane Brake Lining Limited (RBL)
Rane Holding America Inc (RHAI)
Rane Holding Europe GmbH (RHEG)
Rane Light Metal Castings Inc. US (RLMCA) - Upto September 14, 2023
Rane NSK Steering Systems Private Ltd (RNSS)
ZF Rane Automotive India Private Ltd (ZRAI)
ZF Rane Occupant Safety Systems Private Ltd (ZROS)(iv) Post employment benefit plan of the entity : Rane Engine Valve Limited Employees Gratuity Fund
Rane Engine Valve Limited Senior Executives Pension Fund

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

| Particulars | Holding Company (Parent) | | Fellow Subsidiaries/ Associates/ Joint ventures of other entities | | Key Management Personnel | | Entities controlled by KMP | | Post employment benefit plan | | Total | |
|------------------------------------------------------------------|--------------------------|-------|-------------------------------------------------------------------|-------|--------------------------|-------|----------------------------|-------|------------------------------|-------|-------|-------|
| | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 | FY 24 | FY 23 |
| Material transactions during the year | | | | | | | | | | | | |
| Sitting fee | - | - | - | - | 0.04 | 0.03 | - | - | - | - | 0.04 | 0.03 |
| Trade Mark Fees Paid | 2.78 | 2.43 | - | - | - | - | - | - | - | - | 2.78 | 2.43 |
| Reimbursement of Expenses Dr/(Cr) | | | | | | | | | | | | |
| - RHL | - | 0.03 | - | - | - | - | - | - | - | - | - | 0.03 |
| - RML | - | - | - | 0.04 | - | - | - | - | - | - | - | 0.04 |
| Reimbursement of Employee Benefits & other misc expenses Dr/(Cr) | | | | | | | | | | | | |
| - RBL | - | - | - | 0.01 | - | - | - | - | - | - | - | 0.01 |
| - Rane NSK Steering Systems Private Ltd. | - | - | - | 0.01 | - | - | - | - | - | - | - | 0.01 |
| Remuneration to Manager * | - | - | - | - | 0.98 | 1.44 | - | - | - | - | 0.98 | 1.44 |
| Sale of Valve | - | - | | | | | | | | | | |
| - RML | - | - | 2.43 | 2.04 | - | - | - | - | - | - | 2.43 | 2.04 |
| Sale of Services | - | - | | | | | | | | | | |
| - RML | - | - | - | 0.00 | - | - | - | - | - | - | - | 0.00 |
| - RBL | - | - | - | 0.00 | - | - | - | - | - | - | - | 0.00 |
| - ZRAI | - | - | 0.00 | 0.00 | - | - | - | - | - | - | 0.00 | 0.00 |
| Purchase of Material | - | - | | | | | | | | | | |
| - ZF Rane Automotive India Private Ltd. | - | - | 0.00 | 0.05 | - | - | - | - | - | - | 0.00 | 0.05 |
| Purchase of Fixed Assets | - | - | | | | | | | | | | |
| - RHL | - | - | - | - | - | - | - | - | - | - | 0.00 | - |
| Money received against share warrants - RHL | 3.75 | 7.50 | | | | | | | | | 3.75 | 7.50 |
| Services Received | - | - | | | | | | | | | | |
| - RHL | 5.30 | 5.11 | | | | | | | | | 5.30 | 5.11 |
| - RHAI | - | - | 0.58 | 0.59 | - | - | - | - | - | - | 0.58 | 0.59 |
| - RHEG | - | - | 0.39 | 0.33 | - | - | - | - | - | - | 0.39 | 0.33 |
| - RML | - | - | 0.23 | 0.19 | - | - | - | - | - | - | 0.23 | 0.19 |
| - RBL | - | - | 0.11 | 0.06 | - | - | - | - | - | - | 0.11 | 0.06 |
| - ZRAI | - | - | 0.25 | 0.11 | - | - | - | - | - | - | 0.25 | 0.11 |
| Contributions to Post employment benefit plan | | | | | | | | | 2.67 | 2.66 | 2.67 | 2.66 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

| Description | Holding Company (Parent) | | Fellow Subsidiaries/ Associates/ Joint ventures of other entities | | Total | |
|-----------------------------------------|--------------------------|----------------|-------------------------------------------------------------------|----------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Outstanding as at | | | | | | |
| Amount Payable/(Advance) - Trade | | | | | | |
| - RHL | 1.68 | 1.00 | - | - | 1.68 | 1.00 |
| - RHAI | - | - | (0.09) | 0.12 | (0.09) | 0.12 |
| - RHEG | - | - | (0.03) | 0.09 | (0.03) | 0.09 |
| - ZF Rane Automotive India Private Ltd. | - | - | 0.02 | 0.04 | 0.02 | 0.04 |
| - RML | - | - | 0.02 | 0.04 | 0.02 | 0.04 |
| Amount Receivable - Trade | | | | | | |
| - RML | - | - | 0.41 | 0.07 | 0.41 | 0.07 |

* Remuneration to Key Management Personnel

(₹ in Crores)

| Particulars | FY 24 | FY 23 |
|--------------------------|-------------|-------------|
| Short term benefits | 0.90 | 1.44 |
| Other Long term benefits | - | - |
| Termination benefits | 0.08 | 0.01 |
| Total | 0.98 | 1.45 |

FY 23 - includes remuneration paid to Mr.Murali Rajagopalan (retired on November 30, 2022)

Note 29 : Employee Benefit Plans

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

(a) Provident fund and pension

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.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust 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 ₹5.60 Crores (for the year ended March 31, 2023: ₹4.13 Crores) represents contributions paid to these plans by the company at rates specified in the rules of the plans.

B. Defined benefit plans :

The defined benefit plans operated by the Company are as below:

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 to 30 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 or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment risk | The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit. |
| Interest risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

C. Details of defined benefit obligation and plan assets:

Gratuity

(i) Movements in the present value of the defined benefit obligation are as follows: (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|----------------------------------------------------------------------------|------------------------------|------------------------------|
| Opening defined benefit obligation | 26.03 | 24.42 |
| Liability Transfer In/(Out) | (0.16) | 0.04 |
| Current service cost | 1.27 | 1.53 |
| Interest Cost | 1.90 | 1.73 |
| Re-measurement (gains)/losses: | | |
| - Actuarial gains and losses arising from changes in financial assumptions | 0.15 | - |
| - Actuarial gains and losses arising from experience adjustment | (1.27) | (0.13) |
| Benefits paid | (2.16) | (1.56) |
| Closing defined benefit obligation | 25.76 | 26.03 |

(ii) Movements in the fair value of the plan assets (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------|------------------------------|------------------------------|
| Opening fair value of plan assets | 17.87 | 15.60 |
| Asset Transfer In/ (Out) | (0.16) | 0.04 |
| Interest income | 1.31 | 1.12 |
| Actuarial gain / (loss) | 0.03 | 0.27 |
| Contributions from the employer | 2.40 | 2.40 |
| Benefits Paid | (2.16) | (1.56) |
| Closing fair value of plan assets | 19.28 | 17.87 |

(iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows: (₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------------------------|------------------------------|------------------------------|
| Present value of funded defined benefit obligation | 25.76 | 26.03 |
| Fair value of plan assets | (19.28) | (17.87) |
| Funded status | 6.48 | 8.16 |
| Restrictions on asset recognised | - | - |
| Net liability arising from defined benefit obligation | 6.48 | 8.16 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

- (iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:
(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Service Cost : | | |
| Current service cost | 1.27 | 1.53 |
| Past service cost and (gain) / loss from settlements | - | - |
| Net Interest Expense | 0.60 | 0.61 |
| Components of defined benefit costs recognised in profit or loss | 1.87 | 2.14 |
| Remeasurement on the net defined benefit liability : | | |
| Actuarial gains / (losses) arising from changes in demographic assumptions | - | - |
| Actuarial gains / (losses) arising from changes in financial assumptions | (0.11) | 0.27 |
| Actuarial gains / (losses) arising from experience adjustments | 1.26 | 0.13 |
| Components of defined benefit costs recognised in other comprehensive income | 1.15 | 0.40 |

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 expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the company's policy for plan asset management and other relevant factors.

- (vi) The principal assumptions used for the purposes of the actuarial valuations were as follows:

| Assumptions | March 31,2024 | March 31,2023 |
|-----------------------------------|---------------|---------------|
| Discount rate | 7.19% | 7.32% |
| Expected rate of salary increases | 4.5% - 9% | 4.5% - 9% |
| Expected rate of attrition | 8.00% | 8.00% |
| Average age of members | 43.03 | 44.00 |
| Average remaining working life | 15.12 | 14.00 |

Significant actuarial assumptions for the determination of the defined obligation are discount rate and 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.

Sensitivity Analysis

| Change in assumptions | March 31,2024 | March 31,2023 |
|----------------------------------|---------------|---------------|
| A. Discount Rate + 50 BP | 7.69% | 7.82% |
| Defined Benefit Obligation [PVO] | (0.39) | (0.39) |
| Current Service Cost | (0.16) | (0.16) |
| B. Discount Rate - 50 BP | 6.69% | 6.82% |
| Defined Benefit Obligation [PVO] | 0.37 | 0.37 |
| Current Service Cost | 0.16 | 0.16 |
| C. Salary Escalation Rate +50 BP | 5% - 9.5% | 5% - 9.5% |
| Defined Benefit Obligation [PVO] | 0.23 | 0.23 |
| Current Service Cost | 0.15 | 0.15 |
| D. Salary Escalation Rate -50 BP | 4% - 8.5% | 4% - 8.5% |
| Defined Benefit Obligation [PVO] | (0.22) | (0.22) |
| Current Service Cost | (0.14) | (0.14) |

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 recognized in the balance sheet. There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 6.00 years (2023-10.23 years). The expected maturity analysis of undiscounted gratuity is as follows:

| Particulars | (₹ in Crores) | |
|--------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| Year 1 | 4.05 | 1.14 |
| Year 2 | 2.10 | 1.16 |
| Year 3 | 4.20 | 1.20 |
| Year 4 | 3.28 | 1.24 |
| Year 5 | 3.74 | 1.27 |
| Next 5 Years | 20.94 | 6.13 |

D. Other Long Term Employee Benefits - Leave Obligations

The leave obligations cover the Company's liability for earned leave.

The key assumptions used for the calculation of provision for long term compensated absences are as under:

| Assumptions | March 31, 2024 | March 31, 2023 |
|-----------------------------------|----------------|----------------|
| Discount rate | 7.19% | 7.32% |
| Expected rate of salary increases | 4.5% - 9% | 4.5% - 9% |
| Expected rate of attrition | 8.00% | 8.00% |
| Average age of members | 43.03 | 44.00 |
| Average remaining working life | 15.12 | 14.00 |

Note 30 : Segment Reporting

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

30.1. Product wise break up - Please refer note no. 19.1

30.2. Geographical Information

(₹ in Crores)

| Particulars | Revenue from operations from external customers | | Non - current assets** | |
|------------------------------------------|-------------------------------------------------|----------------|------------------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| India | 374.04 | 327.12 | 99.32 | 91.58 |
| Rest of World (including deemed exports) | 192.71 | 170.45 | - | - |
| Total | 566.75 | 497.57 | 99.32 | 91.58 |

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

30.3 Information about major customers

Revenue from sale of auto components to largest customers (greater than 10% of total sales) is ₹64.60 Crores (previous year ₹ Nil Crores)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 31 : Income Taxes

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---------------------------------------------------------------------------------|------------------------------|------------------------------|
| A. The major components of income tax expense for the year are as under : | | |
| i) Income tax recognised in the Statement of profit and loss | | |
| Current tax: | | |
| In respect of current year | 3.66 | 0.33 |
| Adjustments in respect of prior years | - | - |
| Deferred tax: | | |
| In respect of current year | 0.56 | (0.11) |
| Adjustments in respect of prior years (Refer Note 10.1) | - | - |
| Income tax expense recognised in the Statement of Profit and Loss | 4.22 | 0.22 |
| ii) Income tax expense recognised in OCI | | |
| Deferred tax: | | |
| Deferred tax expense on items recognised in OCI | 0.40 | 0.14 |
| Income tax expense recognised in OCI | 0.40 | 0.14 |
| Total income tax expense /(gain) recognised in the Statement of Profit and Loss | 4.62 | 0.36 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Crores)

| Particulars | Year ended March 31, 2024 | Year ended March 31, 2023 |
|-----------------------------------------------------------------------------------------------|------------------------------|------------------------------|
| Profit/(Loss) before tax | 15.68 | 0.16 |
| Income Tax expense calculated at 34.944% | 5.48 | 0.06 |
| Effect of items that are not deductible in determining taxable profit (Permanent Differences) | (0.64) | (0.10) |
| Effect of previously unrecognized deductible temporary differences now recognized | (0.62) | 0.26 |
| Adjustments recognized in the current year in relation to tax of prior years | - | - |
| Income Tax expense/(gain) recognized in profit or loss | 4.22 | 0.22 |

The tax rate used for the reconciliations above is the corporate tax rate of 34.944% payable by corporate entities in India on taxable profits under the Indian tax law.

Note 32 : Financial Instruments

32.1. Capital management

For the purpose of the Company's capital management, capital includes issued capital, other equity reserves attributable to the equity shareholders of the Company and debt. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern, and to maintain an optimal capital structure so as to maximize shareholder value and reduce the cost of capital. The Company determines the capital funding requirement based on its long term budgets, which are met through equity, internal accruals and a combination of both long-term and short-term borrowings.

32.2. Categories of financial instruments

(₹ in Crores)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|-------------------------------------------------------|-------------------------|-------------------------|
| Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| Mandatorily measured: | | |
| - Equity investments | 2.87 | 2.15 |
| - Derivative instruments | 0.11 | - |
| Measured at amortised cost | | |
| - Trade receivables | 113.76 | 107.91 |
| - Cash and cash equivalents | 2.45 | 7.96 |
| - Other bank balances | 0.03 | 0.03 |
| - Other financial assets (Current) | 3.39 | 2.83 |
| - Other financial assets (Non-Current) | 5.19 | 5.16 |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|--------------------------------------------------------------|-------------------------|-------------------------|
| Financial liabilities | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| - Derivative instruments | - | 0.06 |
| Measured at amortised cost | | |
| - Borrowings (Long-term) | 42.78 | 44.30 |
| - Borrowings (Short-term) | 78.98 | 92.13 |
| - Lease Liabilities | 0.42 | 0.88 |
| - Trade payables | 78.57 | 78.27 |
| - Other Financial liabilities | 13.21 | 10.17 |

| Fair value hierarchy | | | (₹ in Crores) |
|----------------------------------------------|-------------------------|-------------------------|-------------------------|
| Particulars | As at March 31, 2024 | As at March 31, 2023 | Fair value Hierarchy |
| - Derivative instruments (Forward contracts) | 0.11 | (0.06) | Level-2 |
| - Equity investments | 2.87 | 2.15 | Level-3 |

- 1) The Company carries equity investment in companies which were made at the respective face values. As per the Share Subscription agreements entered into by the company in respect of these investments, the shares shall be bought back at fair value. Since there is no material change in the fair value between the investment date and the reporting date, the cost of investment (being the fair value as at the investment date) is regarded as the best estimate of its fair value as at the reporting date.

In view of the above, disclosure of the sensitivity of fair value measurement in unobservable inputs is not considered relevant.

- 2) Fair value of derivative instruments (forward contracts) 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.
- 3) In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are a reasonable approximation of their fair values. Hence no separate disclosures of fair value has been made.
- 4) There has been no transfers between level 2 and level 3 for the year ended March 31, 2024 and March 31, 2023.

32.3 Financial risk management

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

32.3.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market conditions. Market risk mainly comprises of interest rate risk, currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company's exposure to changes in interest rates primarily relates to the companies outstanding floating rate debt. The company has mainly INR denominated long term debt which are subject to annual interest rate reset. Based on the past experience the variability of interest on such INR denominated loans is not expected to be material. Further there are only short term foreign currency debt in the form of packing credit which are subject to minimal changes in interest rate during it's term.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) Foreign Currency risk

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 derivative contracts. 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.

The Company does not enter into a foreign exchange transaction for speculative purposes i.e. without any actual / anticipated underlying exposures.

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

| Currency | (₹ in Crores) | | | |
|----------|-------------------------|-------------------------|-------------------------|-------------------------|
| | Liabilities as at | | Assets as at | |
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| EUR | 0.00 | 0.01 | 0.13 | 0.10 |
| USD | 0.02 | 0.07 | 0.31 | 0.36 |

Foreign Currency sensitivity analysis

The below table demonstrates the sensitivity to a 5% increase or decrease in the relevant foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonably possible change in foreign exchange rate.

| Particulars | (₹ in Crores) | | | |
|------------------------------|---------------------------------------|-------------|--------------------------------------------------------------|-------------|
| | Impact on profit or loss for the year | | Impact on total equity as at the end of the reporting period | |
| | 2023-2024 | 2022-2023 | 2023-2024 | 2022-2023 |
| Financial Assets | | | | |
| EUR | 0.60 | 0.47 | 0.39 | 0.30 |
| USD | 1.31 | 1.47 | 0.85 | 0.96 |
| Financial Liabilities | | | | |
| EUR | 0.01 | 0.06 | 0.01 | 0.04 |
| USD | 0.10 | 0.30 | 0.06 | 0.20 |
| Total | 1.80 | 1.58 | 1.17 | 1.02 |

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Forward foreign exchange contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency risk in accordance with the Board approved policy. The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

| Outstanding contracts | Average exchange rate | | Foreign currency | | Notional value | | Fair value assets / (liabilities) | |
|--------------------------------------|-----------------------|----------------|------------------|----------------|----------------|----------------|-----------------------------------|----------------|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| | Sell USD | | | | | | | |
| Less than 03 months | 83.51 | 82.92 | 0.09 | 0.10 | 7.52 | 8.08 | 7.52 | 8.13 |
| More than 3 months but upto 6 months | 83.66 | 82.97 | 0.08 | 0.07 | 6.27 | 5.60 | 6.29 | 5.61 |
| Sell EUR | | | | | | | | |
| Less than 03 months | 91.57 | 88.24 | 0.09 | 0.07 | 8.24 | 5.96 | 8.12 | 5.84 |
| More than 3 months but upto 6 months | 91.13 | 91.00 | 0.06 | 0.05 | 5.47 | 4.78 | 5.46 | 4.78 |

The line-item in the balance sheet that include the above hedging instruments is "Other financial assets"(previous year - "Other financial liabilities").

NOTES FORMING PART OF FINANCIAL STATEMENTS

32.3.2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company's trade and other receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk.

32.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in Crores)

| Particulars | Less than 1 year | 1-5 years | More than 5 years | Total | Carrying Value |
|----------------------------------|------------------|--------------|-------------------|---------------|----------------|
| March 31, 2024 | | | | | |
| Borrowings* | 83.86 | 47.91 | - | 131.77 | 131.77 |
| Trade payables | 78.57 | - | - | 78.57 | 78.57 |
| Derivative Financial Liabilities | - | - | - | - | 0.00 |
| Lease Obligations | 0.17 | 0.33 | - | 0.51 | 0.51 |
| Other Financial Liabilities | 12.23 | 0.98 | - | 13.20 | 13.20 |
| Total | 174.84 | 49.22 | - | 224.06 | 224.06 |
| March 31, 2023 | | | | | |
| Borrowings* | 98.00 | 49.06 | 2.96 | 150.02 | 150.02 |
| Trade payables | 78.27 | - | - | 78.27 | 78.27 |
| Derivative Financial Liabilities | 0.06 | - | - | 0.06 | 0.06 |
| Lease Obligations | 0.85 | 0.07 | - | 0.92 | 0.92 |
| Other Financial Liabilities | 9.25 | 0.92 | - | 10.17 | 10.17 |
| Total | 186.43 | 50.05 | 2.96 | 239.44 | 239.44 |

* Reported amount includes expected interest payout on fixed tenor loans.

Note 33 : Earnings Per Share

(₹ in Crores)

| Particulars | March 31, 2024 | March 31, 2023 |
|-------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit after Tax (₹ in Crores) | 11.46 | (0.06) |
| Earnings used in the calculation of basic earnings per share (A) | 11.46 | (0.06) |
| Earnings used in the calculation of diluted earnings per share (B) | 11.46 | (0.06) |
| Number of equity Shares of ₹ 10 each outstanding at the end of the year | 7,234,455 | 7,062,634 |
| Weighted Average number of Equity Shares used in calculation of basic earnings per share (C) | 7,193,612 | 6,748,178 |
| Weighted Average number of Equity Shares used in calculation of diluted earnings per share* (D) | 7,193,612 | 6,748,178 |
| Earnings Per Share -Basic - in Rupees (A)/(C) | 15.93 | (0.09) |
| Earnings Per Share Diluted - in Rupees (B)/(D) | 15.93 | (0.09) |

*Share warrants that are outstanding as at March 31, 2023 were not considered in the calculation of diluted earnings per share, as their effect was anti-dilutive.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 34 : As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the company. However there is no applicability u/s.135 to make contribution.

Note 35 : There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund ("IEPF") as on March 31, 2024.

Note 36 : Revenue expenditure during the year on Research & Development activities shown under the various heads of account amounted to ₹2.45 Crores (Previous Year ₹2.33 Crores).

Note 37 : Exceptional Items represents:

- (i) Voluntary Retirement Scheme (VRS) expenditure incurred in respect of employees who have opted for VRS amounting to ₹0.09 Crores (Previous Year ₹0.48 Crores),
- (ii) Customer Quality Claims of ₹1.13 Crores (Previous Year ₹6.19 Crores), in respect of certain valves supplied to an overseas customer. The company has initiated insurance claim in respect of the same, which is under process and would be recognised once there is virtual certainty of realization. Further, the Company has also made an estimated provision of ₹3.00 Crores during March 31, 2024 to meet likely costs towards possible claim for valves supplied to another overseas customer.
- (iii) Merger related expenses amounting to ₹1.20 Crores (Previous Year ₹ Nil).

Note 38 : Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 are given as follows:

| Particulars | (₹ in Crores) | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| | March 31, 2024 | March 31, 2023 |
| a) Principal amount due | 6.57 | 5.58 |
| Interest due on the above | 0.01 | 0.00 |
| b) Interest paid during the period beyond the appointed day | - | 0.00 |
| c) Amount of payment made to the supplier beyond the appointed day during the accounting year | 5.24 | 15.88 |
| d) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act. | - | - |
| e) Amount of interest accrued and remaining unpaid at the end of the period | 0.06 | 0.04 |
| f) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as deductible expenditure under section 23 of the Act. | - | - |

The above information regarding micro enterprise and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.

Note 39 : 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 lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 40 : Ratios

| S No | Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | Variance(%) |
|------|-------------------------------|---------------------------------------------|----------------------|----------------|----------------|-------------|
| 1 | Current Ratio | Current Assets | Current Liabilities | 1.20 | 1.15 | 4% |
| 2 | Debt-Equity Ratio | Total Debt (including lease liabilities) | Shareholder's Equity | 1.01 | 1.31 | -23% |
| 3 | Debt Service Coverage Ratio * | Earnings available for debt service (1) | Debt Service (2) | 1.29 | 1.19 | 8% |

NOTES FORMING PART OF FINANCIAL STATEMENTS

| S No | Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | Variance(%) |
|------|------------------------------------------------------------------------------------|-----------------------------------|------------------------------|-------------------|-------------------|-------------|
| 4 | Return on Equity Ratio * | Net Profits after taxes | Average Shareholder's Equity | 0.10 | (0.00) | 19363% |
| 5 | Inventory Turnover Ratio | Sales | Average Inventory | 6.25 | 5.44 | 15% |
| 6 | Trade receivables turnover ratio | Net Credit Sales | Avg. Trade Receivables | 5.05 | 5.22 | -3% |
| 7 | Trade payables turnover ratio | Net Credit Purchases | Average Trade Payables | 2.69 | 2.94 | -8% |
| 8 | Net capital turnover ratio ** | Net Sales | Working Capital (3) | 15.68 | 17.29 | -9% |
| 9 | Net Profit Ratio * | Net Profit/(Loss) for the year | Net Sales | 0.02 | -0.00 | 18271% |
| 10 | Return on capital employed * | Earning before interest and taxes | Capital Employed (4) | 12.26% | 4.92% | 149% |
| 11 | Return on Investment (The Company does not have any income bearing investments) | | | - | - | - |

(1) Earning available for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Debt service = Interest & Lease Payments + Principal Repayments

(3) Working capital shall be calculated as current assets minus current liabilities

(4) Capital Employed = Tangible Net Worth(excluding Intangible Assets) + Total Debt

* Variance is mainly on account of increase in operational profitability during the year driven by topline growth coupled with operational improvements.

Note 41 : The Board of Directors of the Company in their meeting held on February 09, 2024, based on recommendations of the Audit committee considered and approved the proposed scheme of amalgamation (*scheme") of the Company and Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, with effect from April 01, 2024 (the appointed date") under sections 230 to 232 of the Companies Act, 2013, and other applicable sections and provisions of the Companies Act, 2013 read together with the rules made thereunder. The aforesaid scheme is subject to the approval of shareholders and creditors of the respective companies, Stock Exchanges, National Company Law Tribunal and such other approvals as may be required.

Note 42 : The previous year's figures have been re-grouped, reclassified wherever necessary so as to make them comparable with the current year's figures.

Note 43 : Figures in brackets in the Schedules and Notes pertain to previous year.

As per our report of even date attached

For **Varma & Varma**

Chartered Accountants

Firm Registration No. 0045325

For and on behalf of the Board

Georgy Mathew

Partner

Membership No. 209645

Ganesh Lakshminarayan

Director

DIN:00012583

Harish Lakshman

Chairman

DIN:00012602

Chennai

May 07, 2024

S Rajkumar

Manager

S Anand

Company Secretary

V K Vijayaraghavan

Chief Financial Officer



Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

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