ANNEXURES

INDEX

Annexure - A

SCHEME OF AMALGAMATION

OF

RANE ENGINE VALVE LIMITED

("Transferor Company - 1")

AND

RANE BRAKE LINING LIMITED

("Transferor Company - 2")

WITH AND INTO

RANE (MADRAS) LIMITED

("Transferee Company")

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230 - 232 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS AND RULES FRAMED THEREUNDER

CERTIFIED TRUE COPY

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

RANE (MADRAS) "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600 086

(A) PREAMBLE

This Scheme of Amalgamation ("**Scheme**") of Rane Engine Valve Limited ("**Transferor Company-1**") and Rane Brake Lining Limited ("**Transferor Company-2**") with and into Rane (Madras) Limited ("**Transferee Company**") and their respective shareholders is presented under Sections 230 - 232 of the Companies Act, 2013 and the rules and regulations made thereunder.

(B) PARTS OF THE SCHEME

This Scheme is divided into the following parts: -

Part I deals with the description of the companies and the rationale for the Scheme;

Part II deals with the definitions, the share capital of the Transferor Companies and Transferee Company and the date of taking effect of the Scheme;

Part III deals with the Amalgamation of the Transferor Companies with and into the Transferee Company and certain consequential aspects thereto;

Part IV deals with the general terms and conditions applicable to this Scheme.

The Scheme also provides for various other matters consequential, incidental or otherwise integrally connected herewith.

Though this Scheme is divided into various parts for the purpose of convenience, it is to be implemented as a single inseparable comprehensive Scheme.

<u>**PART I**</u>

<u>**DESCRIPTION OF COMPANIES AND RATIONALE FOR SCHEME**</u>

1. DESCRIPTION OF THE COMPANIES

1.1. Rane Engine Valve Limited (hereinafter referred to as "REVL" or "Transferor Company-1") was incorporated on March 9, 1972, as a limited company in the State of Tamil Nadu under the Companies Act, 1956 under the name and style Techcons Limited. The name of the Transferor Company-1 was changed to its present name Rane Engine Valve Limited on February 06, 2008. Its registered office is situated at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The Transferor Company-1's Corporate Identity Number is L74999TN1972PLC006127. The PAN of the Transferor Company-1 is AAACT1279M and the email ID of the authorised representative is

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ks.anand@ranegroup.com. The Transferor Company-1 is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet. The equity shares of the Transferor Company-1 are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.2. Rane Brake Lining Limited ("hereinafter referred to as "RBL" or "Transferor Company-2") was incorporated on December 17, 2004 as a private limited company in the State of Tamil Nadu under the Companies Act, 1956 under the name and style EMS Logistics (India) Private Limited and on September 20, 2005 the name of the company was changed to Richfield Logistics Line Private Limited. The name of the company was changed to Rane Brake Products Private Limited on September 24, 2007. Subsequently, the company became a public limited company on September 26, 2007 and the name was changed to Rane Brake Products Limited, effective from October 12, 2007. The name of the Transferor Company-2 was further changed to its present name "Rane Brake Lining Limited" on February 06, 2008. Its registered office is situated at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The Corporate Identity Number of Transferor Company-2 is L63011TN2004PLC054948. The PAN of the Transferor Company-2 is AADCR7688H and the email ID of the authorised representative is vs.venkatraman@ranegroup.com. The Transferor Company-2 is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., friction material (Disc Pads, Brake Shoes, Clutch Facings, Clutch Buttons, Brake Linings and Brake Blocks). The equity shares of the Transferor Company-2 are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.3. Rane (Madras) Limited (hereinafter referred to as 'RML' or "Transferee Company") was incorporated on March 31, 2004, as a limited company in the State of Tamil Nadu under the Companies Act, 1956 under the name and style Rane Holdings Limited and name was changed to Rane (Madras) Manufacturing Limited on February 22, 2005. The name of the Transferee Company was further changed to its present name Rane (Madras) Limited on May 19, 2005. Its registered office is situated at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The Transferee Company's Corporate Identity Number is L65993TN2004PLC052856. The PAN of the Transferee Company is AACCR9772M and the email ID of the authorised representative is s.subhashree@ranegroup.com. The Transferee Company is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products. The equity shares of the Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

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2. OBJECT AND RATIONALE OF THIS SCHEME

2.1. Part III of the Scheme deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

a) The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

b) Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

c) Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

d) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

e) The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

f) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

g) Optimization of support and administration functions.

h) Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

i) Improved organization capability and leadership, arising from pooling of human capital.

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PART II

DEFINITIONS, SHARE CAPITAL AND DATE OF TAKING EFFECT OF SCHEME

3. DEFINITIONS

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

3.1. **"Act"** means the Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force;

3.2. **"Applicable Law(s)"** means any statue, notification, bye laws, rules, regulations, guidelines, circulars or common law, policy, code, directives, ordinance, schemes, notices, orders or instructions enacted or issued or sanctioned by any Appropriate Authority including any modification or re-enactment thereof for the time being in force;

3.3. **"Appointed Date"** means 1st day of April, 2024, or such other date as may be fixed or approved by the National Company Law Tribunal, being the date with effect from which this Scheme shall be deemed to be operative and effective;

3.4. **"Appropriate Authority"** means any national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, or any stock exchange of India or any other country including the Registrar of Companies, Regional Director, Official Liquidator, Company Law Board, Competition Commission of India, Reserve Bank of India, Securities and Exchange Board of India, Stock Exchanges, National Company Law Tribunal or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and such other sectoral regulators or authorities as may be applicable;

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3.5. **"Board of Directors" or "Board"** means the Board of Directors of the Transferor Companies or the Transferee Company, as the case may be, and shall include a duly constituted committee(s) thereof;

3.6. **"Effective Date"** means the last of the dates on which the authenticated copies or certified copies of the Order of NCLT under Sections 230 to 232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Companies and Transferee Company. References in this Scheme to date of "coming into effect of the Scheme" or "upon the Scheme becoming effective", or "effectiveness of the Scheme" and other similar expressions shall mean the Effective Date

3.7. **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly;

3.8. **"Merger"** or **"Amalgamation"** means the merger or amalgamation of the Transferor Companies with and into the Transferee Company in accordance with the provisions of Section 2(1B) of the Income Tax Act, 1961;

3.9. "**NCLT**" or "**Tribunal**" means the concerned benches of the National Company Law Tribunal, Chennai, under whose jurisdiction the Parties to the Scheme fall;

3.10. "**Parties**" shall mean collectively the Transferor Companies and the Transferee Company and "**Party**" shall mean each of them, individually;

3.11. **"Record Date"** means the date to be fixed by the Board of Directors of the Transferee Company or a committee thereof, in consultation with the Board of Directors of the Transferor Companies for the purpose of determining the members of the Transferor Companies to whom new shares in the Transferee Company shall be allotted under Part III of the Scheme;

3.12. "**Registrar of Companies**" or "**ROC**" means the Registrar of Companies in Chennai, having jurisdiction over the Parties;

3.13. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Amalgamation, as amended or modified, in its present form submitted to the NCLT for approval, with or without any modifications, as may be approved or imposed or directed by the NCLT or any other Appropriate Authority;

3.14. **"SEBI"** means the Securities Exchange Board of India established under the Securities and exchange Board of India Act, 1992;

3.15. **"SEBI Circulars"** means the circulars issued by Securities and Exchange Board of India in relation to the amalgamations and arrangements carried out under the Act and shall inter-alia refer to SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time;

3.16. **"Stock Exchange"** means BSE Limited and National Stock Exchange of India Limited;

3.17. **"Transferee Company"** means Rane (Madras) Limited, incorporated under the Companies Act, 1956, having CIN L65993TN2004PLC052856 and having registered office at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The PAN of the Transferee Company is AACCR9772M and the e-mail ID of its authorized representative is s.subhashree@ranegroup.com.

3.18. **"Transferor Companies"** means the Transferor Company 1 and Transferor Company 2 collectively;

3.19. **"Transferor Company-1"** means Rane Engine Valve Limited, incorporated under the Companies Act, 1956, having CIN L74999TN1972PLC006127 and having registered office at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The PAN of the Transferor Company-1 is AAACT1279M and the e-mail ID of its authorized representative is ks.anand@ranegroup.com.

3.20. **"Transferor Company-2"** means Rane Brake Lining Limited, incorporated under the Companies Act, 1956, having CIN L63011TN2004PLC054948 and having registered office at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The PAN of the Transferor Company-2 is AADCR7688H and the e-mail ID of its authorized representative is vs.venkatraman@ranegroup.com.

3.21. **"Taxation" or "Tax" or "Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax, minimum alternate tax credit or otherwise or attributable directly or primarily to Transferor Companies and Transferee Company, as the case may be or any other person and all penalties, charges, costs and interest relating thereto;

3.22. **"Tax Laws"** means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature;

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3.23. "**Undertakings**" means the entire business undertakings of the Transferor Companies, on a going concern basis and shall include the following:

i. all the assets and properties (whether movable or immovable, tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent of whatsoever nature, whether or not appearing in the books of accounts) of the Transferor Companies, including, without limitation, sheds, godowns, warehouses, offices, plant and machineries, equipments, interests, capital work-in progress, rolling stocks, installations, appliances, tools, accessories, freeholds, leasehold or any other title, interests or right in such immovable assets, buildings and structures, offices, residential and other premises, furniture, fixtures, office equipments, computers and all investments;

ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Companies;

iii. all rights or benefits, whether present, future or contingent or whatsoever in nature, benefits of any deposit, receivables, claims against any vendor or advances or deposits paid by or deemed to have been paid by the Transferor Companies, financial assets, benefit of any bank guarantees, performance guarantees, comfort letters and letters of credit, hire purchase contracts, lending contracts, rights and benefits under any agreement, benefits of any security arrangements or under any guarantee, reversions, powers, tenancies in relation to the office and/or residential properties for the employees or other persons, vehicles, guest houses, godowns, share of any joint assets and other facilities;

iv. all rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangement of all kinds, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed if any, by the Transferor Companies or in connection with or relating to the said Transferor Companies and all other interests of whatsoever nature belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Transferor Companies;

v. all permissions, approvals, consents, subsidies, privileges, income tax benefits and exemptions, accumulated tax losses, unabsorbed depreciation, minimum alternate tax

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credits, indirect tax benefits and exemptions, all other rights, benefits and liabilities related thereto including licenses, powers and facilities if any, of every kind, nature and description whatsoever, provisions and benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Transferor Companies;

vi. all licenses if any (including but not limited to licenses granted by any government, statutory or regulatory bodies for the purpose of carrying on the business or in connection therewith), approvals, authorizations, permissions including municipal permissions, consents, registrations including import registrations, certifications, no objection certificates, quotas including import quotas, rights, permits including import permits, exemptions, subsidies, tax deferrals, credits (including Cenvat Credits, Sales Tax credits, Goods and Services Tax credits and Income Tax credits), export benefits, incentives, privileges, advantages and all other rights and facilities of every kind, nature and description whatsoever of the Transferor Companies;

vii. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/ license agreements, tenancy rights, equipment purchase agreements, master service agreements, loan license agreements, third party manufacturing agreements and other agreements with the customers, purchase and other agreements/ contracts with the supplier/manufacturer of goods/ service providers, if any, and all rights, title, interests, claims and benefits there under of the Transferor Companies;

viii. all application monies, advance monies, earnest monies and/ or security deposits if any, paid or deemed to have been paid and payments against other entitlements of the Transferor Companies;

ix. all debts, borrowings, obligations, duties and liabilities both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet of the Transferor Companies, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or un-matured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability) pertaining to the Transferor Companies;

x. all intellectual property rights, registrations, trademarks, trade names, service marks, copyrights, patents, designs, goodwill, domain names, including applications for trademarks, trade names, service marks, copyrights, patents, designs and domain names,

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used by or held for use by the Transferor Companies, whether or not recorded in the books of accounts of the Transferor Companies, and other intellectual rights of any nature whatsoever (including applications for registrations of the same and the right to use such intellectual property rights), books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), drawings, computer programs, manuals, data, catalogues, quotations, list of present and former customers and suppliers, other customer information, customer credit information, customer pricing information and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Companies, whether used or held for use by it; and

xi. any and all permanent employees, who are on the payrolls of the Transferor Companies, employees/personnel engaged on contract basis and contract labour and apprentices, interns/trainees, engaged by the Transferor Companies, at its respective offices, branches or otherwise, and any other employees/personnel and contract labour and interns/trainees hired by the Transferor Companies.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

4.1. The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other Appropriate Authority and shall become effective from the Appointed Date, but shall be operative from the Effective Date.

4.2. The merger of the Transferor Companies with and into the Transferee Company shall be in accordance with Section 2(1B) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with Section 2(1B) of the Income Tax Act, 1961 at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provision of the Income Tax Act, 1961, shall prevail. The Scheme shall then stand modified to the extent deemed necessary to comply with the said provisions. Such modification will, however, not affect other parts of the Scheme.

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5. SHARE CAPITAL

5.1. The share capital structure of the Transferor Company - 1 as on December 31, 2023 is as under:

Share Capital	INR
Authorized share capital	
1,23,50,000 Equity Shares of Rs.10/- each	12,35,00,000
1,50,000 Preference Shares of Rs. 10/- each	15,00,000
Total	**12,50,00,000**
Issued, subscribed and paid-up share capital	
72,34,455 Equity Shares of Rs.10/- each fully paid-up	7,23,44,550
Total	**7,23,44,550**

Subsequent to December 31, 2023, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company - 1, until the date of approval of the Scheme by the Board of the Transferor Company - 1.

5.2. The share capital structure of the Transferor Company - 2 as on December 31, 2023 is as under:

Share Capital	INR
Authorized share capital	
10,000,000 equity shares of Rs. 10/- each	10,00,00,000
Total	**10,00,00,000**
Issued, subscribed and paid-up share capital	
7,729,871 equity shares of Rs.10/- each fully paid-up	7,72,98,710
Total	**7,72,98,710**

Subsequent to December 31, 2023, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferor Company - 2 until the date of approval of the Scheme by the Board of the Transferor Company - 2.

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5.3 The share capital structure of the Transferee Company as on December 31, 2023 is as under:

Share Capital	INR
Authorized share capital	
2,50,00,000 equity shares of Rs.10/- each	25,00,00,000
1,05,00,000 preference shares of Rs.10/- each	10,50,00,000
Total	**35,50,00,000**
Issued, subscribed and paid-up share capital	
1,62,65,267 equity shares of Rs.10/- each fully paid-up.	16,26,52,670
Total	**16,26,52,670**

Subsequent to December 31, 2023, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Transferee Company until the date of approval of the Scheme by the Board of the Transferee Company.

PART III

AMALGAMATION OF TRANSFEROR COMPANIES WITH AND INTO THE TRANSFEREE COMPANY

6. AMALGAMATION AND VESTING OF THE UNDERTAKING OF THE TRANSFEROR COMPANIES WITH AND INTO THE TRANSFEREE COMPANY

6.1. With effect from the Appointed Date and upon the Scheme becoming effective, the Undertakings of the Transferor Companies, along with all the assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral part of the Transferor Companies shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in the Transferee Company on a going concern basis so as to become as and from the Appointed Date, the undertaking of the Transferee Company by virtue of and in the manner provided in this Scheme.

6.2. Without prejudice to the generality of the above clauses and to the extent applicable, unless otherwise stated herein, upon the coming into effect of this Scheme and with effect from the Appointed Date:

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6.2.1. All the properties and assets of the Undertakings of the Transferor Companies, tangible or intangible, balance in bank, cash or investments (including investment in subsidiaries) and other assets of whatsoever nature and tax credits including under GST law, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under any Tax Laws, incentives, if any, whether or not included in the books of the Transferor Companies, without any further act or deed so as to become the business, properties and assets of the Transferee Company. Provided that for the purpose of giving effect to the vesting, the Transferee Company shall at any time pursuant to the orders under this Scheme be entitled to get the recordal of the change in the title and the appurtenant legal right(s) upon the vesting of such assets of the Transferor Companies in accordance with the provisions of Sections 230 to 232 of the Act.

6.2.2. All the movable assets of the Transferor Companies or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, whether or not included in the books of the Transferor Companies, shall be physically handed over by manual delivery or by endorsement and delivery, to the Transferee Company to the end and intent that the property therein passes to the Transferee Company on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Transferee Company accordingly.

6.2.3. All other movable properties of the Transferor Companies, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, whether or not included in the books of the Transferor Companies, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of the Transferee Company, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of the Transferee company. All investments of the Transferor Companies shall be recorded in the name of the Transferee Company by operation of law as transmission in favour of the Transferee Company as a successor in interest and any documents of title in the name of the Transferor Companies shall also be deemed to have been mutated and recorded in the name of the Transferee Company to the same extent and manner as originally held by the Transferor Companies and enabling the ownership, right, title and interest therein

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as if the Transferee Company was originally the Transferor Companies. The Transferee Company shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard.

6.2.4. Any money lying in the unpaid dividend account of the respective Transferor Companies, remaining unpaid or unclaimed for a period of 7 years from the date of such transfer shall be transferred by the Transferee Company along with interest accrued, if any, to the Investor Education and Protection Fund upon the Scheme coming into effect. For the purpose of computation of the period of 7 years as mentioned above, the same shall be calculated from the original date of transfer to the unpaid dividend account by the respective Transferor Companies.

6.2.5. Without prejudice to the aforesaid, all the immovable properties (including but not limited to the land, buildings, offices, sites, tenancy rights related thereto, and other immovable property, including accretions and appurtenances), whether or not included in the books of the Transferor Companies, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Transferee Company, as successor to each of the Transferor Companies respectively, without any act or deed to be done or executed by the REVL and / or RBL and / or RML, as the case may be; each of the immovable properties, only for the purposes of the payment of stamp duty, registration fees or other similar taxes or fees (if required under applicable law), shall be deemed to be conveyed at the applicable circle rates/guideline values applicable to the respective immovable properties as determined by the relevant authorities at the time of registration. Provided that, at the discretion of the Transferee Company, separate instruments / affidavits/ declarations be executed setting out the particulars of the properties or deeds of assignment of lease, as the case may be, by the Transferee Company in respect of such immovable properties of the Transferor Companies, whether owned or leased, by the Transferor Companies for the purpose of transfer and vesting unto Transferee Company under this Part III of this Scheme. The execution of such instruments / affidavits / declarations only for the purpose of payment of stamp duty and registration fees (if applicable) shall form an integral part of the Scheme.

6.2.6. Any floating charges created by the Transferor Companies in favour of their bankers on any of the movable assets, documents of title to goods, receivables, claims and other current assets

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6.2.7. The Transferor Companies shall give notice in such form as it may deem fit and proper, to each person, debtor, loanee or depositee as the case may be, belonging to or related to the Transferor Companies, that pursuant to the NCLT having sanctioned the Scheme, the said debts, loans, advances, bank balances or deposits be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end and intent that the right of the respective Transferor Companies to recover or realise the same stands extinguished and that appropriate entry should be passed in its books to record the aforesaid change.

6.2.8. All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of the Transferor Companies, shall stand vested in or transferred automatically to the Transferee Company without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of the Transferee Company as if the same were originally given by, issued to or executed in favour of the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to the Transferee Company. The benefit of all statutory and regulatory permissions including the statutory or other licenses, Tax registrations, permits, permissions or approvals or consents required to carry on the operations of the Transferor Companies shall automatically and without any other order to this effect, vest into and become available to the Transferee Company pursuant to this Scheme becoming effective in accordance with the terms thereof. Without prejudice to the provisions of the above clauses, in respect of such of the assets and properties of the Transferor Companies, as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same shall be so transferred by the Transferor Companies and shall upon such transfer become the assets and properties of the Transferee Company without requiring any deed or instrument or conveyance for the same.

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6.2.9. All the Insurance policies registered in the name of the Transferor Companies which are active as on the date of approval of the Scheme by the Tribunal and which can be transferred/assigned shall pursuant to the provisions of Section 232 of the Act, without any further act, instrument or deed, be and stand transferred to and vested in and or be deemed to have been transferred to and vested in and be available to the benefit of the Transferee Company and accordingly, the insurance companies shall record the name of the Transferee Company in all the insurance policies registered in the name of the Transferor Companies so as to ensure that all the rights and privileges under all such policies available to the Transferor Companies and / or to any other person/director/employee of such Transferor Companies, whether in the capacity of the Policy Holder or Owner or Insured or the Beneficiary, as the case may be, be available to the benefit of the Transferee Company and / or to any other person/director/employee of Transferee Company, as the case may be, on the same terms and conditions as they were applicable to the Transferor Companies concerned and upon such transfer/assignment, all such policies shall be effective in favour of the Transferee Company as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto.

6.2.10. All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, MAT credit, TDS deducted on behalf of the Transferor Companies, etc.), GST liabilities, and obligations of the Undertaking of the Transferor Companies, as on the Appointed Date, whether provided for or not, in the books of accounts of the Transferor Companies, and all other liabilities which may accrue or arise after the Appointed Date shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 233 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by the Transferee Company, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Companies.

6.2.11. All intangible assets including various business or commercial rights, pre-qualification for past projects / sales, customer-base, etc. belonging to but not recorded in books of the Transferor Companies shall be transferred to and vested with the Transferee Company and shall include all letters of intent, request for proposal, prequalification, permits, registrations, bid acceptances, tenders, technical experience (including experience in executing projects), goodwill earned in execution of the projects, technical know-how, contracts, deeds,

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memorandum of understanding, bonds, agreements, track record, brand usage rights (or any other nomenclature called) and all other rights claims, powers in relation to or enjoyed by or granted in favour of the Transferor Companies, and the historical financial strength including turnover, profitability, performance, market share, net-worth, liquid/ current assets and reserves of the previous years and all empanelment's, accreditations, recognitions as approved vendors for undertaking any jobs.

6.2.12. The transfer and vesting of the assets pursuant to the Scheme, as aforesaid, shall be, subject to existing charges / hypothecation / mortgage (if any as may be subsisting) over or in respect of the assets or any part thereof in favour of Banks and Financial Institutions. Provided, however, that any reference in any security documents or arrangements to which the Transferor Companies are a party, to such assets of the Transferor Companies offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Companies shall be construed as references only to the assets pertaining to the Transferor Companies as are vested in the Transferee Company under this Clause, to the end and intent that such security, mortgage and or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specially agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

6.2.13. In so far as the various incentives, indirect tax benefits, subsidies, grants, special status and other benefits or privileges enjoyed, granted by any government body, local authority or by any other person, or availed of by the Transferor Companies are concerned, the same shall, without any further act or deed, vest with and be available to the Transferee Company on the same terms and conditions on and from the Appointed Date. Any conditions already fulfilled by the Transferor Companies before the Effective Date shall be deemed to have been fulfilled by the Transferee Company. Any fulfilment of conditions to be met by the Transferor Companies shall be fulfilled by the Transferee Company after the Effective Date.

6.2.14. The investments held by the Transferor Companies in Captive Generating Power Plants and the related consumption of electricity (renewable energy), shall stand automatically transferred to and in the name of the Transferee Company upon the Scheme coming into effect. Any conditions already fulfilled by the Transferor Companies before the Effective Date

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under the Electricity Act, 2003 and the rules framed thereunder shall be deemed to have been fulfilled by the Transferee Company.

6.2.15. The Transferee Company, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of secured creditors of the Transferor Companies or any other party with which the Transferor Companies have a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Companies to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.

6.2.16. In so far as loans and borrowings of the Transferor Companies pertaining to the loans and liabilities, which are to be vested to the Transferee Company shall, without any further act or deed, become loans and borrowings of the Transferee Company, and all rights, powers, duties and obligations in relation thereto, be and stand vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of the Transferee Company. However, without prejudice to such vesting of liability amount, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Transferee Company may discharge such liability (including accretions thereto) by making payments on the respective due dates to the Transferor Companies, which in turn shall make payments to the respective creditors.

6.2.17. The vesting of the assets of the Undertakings comprised in the Transferor Companies to the Transferee Company under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided:

(i) The existing securities, mortgages, charges, Encumbrances or liens, if any, created by the Transferor Companies after the Appointed Date, in terms of this Scheme, over the assets comprised in the Transferor Companies, or any part thereof, shall be vested in the Transferee Company by virtue of this Scheme, and such Encumbrances shall not relate or attach to any of the other assets, of the Transferor Companies.

(ii) In so far as the existing Encumbrances, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or

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deed be modified and shall be extended to and shall operate only over the assets comprised in the Transferor Companies which have been Encumbered in respect of the transferred liabilities as transferred to the Transferee Company pursuant to this Scheme. Provided that if any of the assets comprised in the Undertakings of the Transferor Companies which are being transferred to the Transferee Company pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

6.2.18. In so far as the existing security in respect of the loans or borrowings of the Transferor Companies and other liabilities relating to the Transferor Companies are concerned, such security shall, without any further act, instrument or deed be continued with the Transferee Company. The Transferor Companies and the Transferee Company shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

6.2.19. The foregoing provisions insofar as they relate to the vesting of liabilities with the Transferee Company shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

6.2.20. Upon the coming into effect of this Scheme, the limits approved by the shareholders / board of directors of the Transferee Company, as the case may be, for borrowing, lending, providing loans and advances, investments or providing guarantees or giving donations, shall without further act or deed stand enhanced by an amount equivalent to the aggregate of the respective authorised limits of the Transferor Companies, such limits being incremental to the existing limits of the Transferee Company. For the avoidance of doubt, for the purposes of reckoning the aforesaid limits of the respective Transferor Companies to the extent computed using the paid up capital and free reserves, the same shall be computed on the basis of the last audited financial statements of the relevant Transferor Company, immediately preceding the Effective Date.

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6.2.21. Upon this Scheme coming into effect, any loan or liabilities other obligations due and all the interparty transactions or commitments between or amongst the Transferor Companies and the Transferee Company shall stand discharged and shall stand cancelled and there shall be no liability in that behalf.

6.2.22. The Scheme shall not operate to enlarge the Encumbrances in respect of the liabilities of the Undertakings of the Transferor Companies over the properties, assets, rights, benefits and interest of the Transferee Company (as existing immediately prior to the effectiveness of the Scheme) nor shall Transferee Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above.

6.2.23. Upon the coming into effect of the Scheme and with effect from the Appointed Date, in so far as the existing Encumbrances over the assets and other properties of the Transferee Company or any part thereof which relate to the liabilities of the Transferee Company prior to the Effective Date are concerned, such Encumbrance shall, without any further act, instrument or deed continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Undertakings of the Transferor Companies transferred to and vested in the Transferee Company by virtue of the Scheme.

6.2.24. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions. Any reference in any security documents or arrangements (to which either of the Transferor Companies is a party) to the respective Transferor Companies and its assets and properties, which relate to the Undertaking(s) of the respective Transferor Companies, shall be construed as a reference to the Transferee Company and the assets and properties of the Transferor Companies transferred to the Transferee Company by virtue of the Scheme.

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6.2.25. Without prejudice to the provisions of the foregoing Clauses, the Transferor Companies and the Transferee Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required.

6.2.26. With effect from the Appointed Date, subject to the other provisions of the Scheme, all approvals, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to the Transferor Companies, as the case may be, is a party, or the benefit to which the Transferor Companies may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced fully and effectively as if instead of the Transferor Companies, the Transferee Company had been a party or beneficiary thereto for continuation of operations of the Transferor Companies by the Transferee Company without any hindrance or disruption. The Transferee Company shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novations to which the Transferor Companies will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, the Transferee Company shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this Scheme.

6.2.27. With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to the Transferor Companies shall stand vested in and/or be deemed to have been vested in the Transferee Company together with all benefits and entitlements of any nature whatsoever. Such entitlements shall include Taxes benefits under the Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to the Transferor Companies to be claimed by the Transferee Company with effect from the Appointed Date as if the Transferee Company

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6.2.28. Taxes as per the Tax Laws of the Transferor Companies to the extent not provided for or covered by the Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Transferor Companies shall be vested with/be the responsibility of the Transferee Company.

6.2.29. All Taxes paid or payable by the Transferor Companies in respect of the operations and/ or the profits of Transferor Companies before the Appointed Date shall be on account of the Transferor Companies and in so far as it relates to the Tax payment whether by way of deduction at source, collection at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operations of the Transferor Companies after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

6.2.30. The Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required, to give effect to the present Scheme from the Appointed Date.

6.2.31. On and from the Appointed Date, if any Certificate for Tax Deducted at Source, Tax collected at source or any other tax credit certificate relating to the Transferor Companies is received in the name of the Transferor Companies, it shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid.

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6.2.32. On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to the Transferor Companies, if any, shall stand vested in the Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by the Transferee Company. The liabilities of the Transferor Companies as on the Appointed Date shall stand vested in the Transferee Company.

6.2.33. All deductions, otherwise admissible to the Transferor Companies including payment admissible on actual payment or on deduction of appropriate taxes or on payment or tax deducted at source (such as u/s 40, 40A, 43B, etc. of the Income Tax Act, 1961), shall be available for deduction to the Transferee Company, as it would have been available to the Transferor Companies.

6.2.34. Any obligations met by the Transferor Companies under the Companies (Corporate Social Responsibility Policy) Rules, 2014 before the Effective Date shall be deemed to have been met by the Transferee Company upon the Scheme coming into effect. Any contribution in excess of the prescribed limits under the aforesaid rules by the companies shall be available for set-off against the obligations of the Transferee Company under the above mentioned rules after the Effective Date.

6.2.35. Upon the coming into effect of this Scheme and notwithstanding the other provisions of this Scheme, all contracts, deeds, agreements, licenses, engagements, certificates, permissions, consents, approvals, concessions and incentives, remissions, remedies, subsidies, guarantees, etcetera of whatsoever nature except any shareholders agreements to which the Transferor Company(ies) is a party or to the benefit of which the Transferor Companies or any project owned or promoted by the Transferor Companies may be eligible and which have not lapsed and are vested, subsisting or having effect on the Effective Date shall be in full force and effect in favour of the Transferee Company, as the case may be, and may be enforced by the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto or beneficiary thereof. Any shareholders agreement to which the Transferor Company(ies) is a party shall lapse and stand terminated upon the Scheme coming into effect. The Transferee Company may enter into and/or issue and/or execute deeds, writings or confirmations, or enter into any bipartite or multipartite arrangements, confirmations or novations, in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. The Transferee Company shall be

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deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies to give effect to the provisions of this clause. The Transferee Company shall perform the Transferor Companies' obligations under all such existing contracts, deeds, agreements, licenses, and other such instruments, as the new obligor replacing the original obligor, i.e., the relevant Transferor Companies.

6.2.36. On and from the Effective Date, and till such time that the name of the bank accounts of the Transferor Companies have been replaced with that of the Transferee Company, the Transferee Company shall be entitled to maintain and operate the bank accounts of the respective Transferor Companies in the name of the Transferor Companies and for such time as may be determined to be necessary by the Transferee Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Transferor Companies after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of Transferee Company, if presented by the Transferee Company.

6.2.37. The resolutions, if any, of the Board of Directors, or Committees thereof, shareholders of the Transferor Companies which are valid and subsisting on the Effective Date shall be continued to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable legislations then said limits shall be added and shall constitute the aggregate of the said limits of the Transferee Company.

7. **STAFF & EMPLOYEES**

7.1. On Part III of the Scheme becoming operative, all the executives, staff, workmen and employees in the service of the Transferor Companies immediately preceding Effective Date, and that they shall become the executives, staff, workmen and employees, of the Transferee Company on the basis that their services shall be deemed to have been continuous and not have been interrupted by reasons of the said transfer. The terms and conditions of service applicable to such executives, staff, workmen and employees after such transfer shall not

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in any way be less favourable to them than those applicable to them immediately preceding the transfer. In the event of retrenchment of such employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of the employees shall have been continuous and shall not have been interrupted by reason of such transfer.

7.2. The equitable interest in accounts/funds of the employees and staff, if any, whose services are vested with the Transferee Company, relating to superannuation, provident fund and gratuity fund, if any, shall be identified, determined and vested with the respective trusts/funds of the Transferee Company and such employees shall be deemed to have become members of such trusts/funds of Transferee Company. Until such time, the Transferor Companies may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Transferor Companies to the relevant funds of the Transferor Companies. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to approvals and permissions, if required, continue to contribute to the relevant funds of the Transferor Companies until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Companies shall be transferred to the funds created by the Transferee Company. Provided however that, the Transferee Company shall be at liberty to form or restructure its provident fund trusts, gratuity fund and pension and/or superannuation fund trusts in such manner as may be decided by its Board of Directors, subject to compliance of relevant labour laws and any other allied laws for the purpose.

7.3. The Transferee Company, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Transferor Companies to which the Transferor Companies are parties in order to give formal effect to the provisions of the Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the respective Transferor Companies and to carry out or perform all such formalities or compliances, referred to above, on behalf of the Transferor Companies.

7.4. The Transferee Company undertakes that for the purpose of payment of any retrenchment compensation, gratuity and other terminal benefits to the employees of the Transferor Companies, the past services of such employees with the Transferor Companies shall also be taken into account and it shall pay the same accordingly, as and when such amounts are due and payable. Upon this Scheme becoming effective, the Transferor Companies will transfer/handover to the Transferee Company, copies of employment information, including but not limited to, personnel files (including hiring documents, existing employment contracts, and documents reflecting changes in an employee's position, compensation, or benefits), payroll records, medical documents (including documents relating to past or ongoing leaves of absence, on the job injuries or illness, or fitness for work examinations), disciplinary records, supervisory files relating to its and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities relating to benefits transferred pursuant to this sub-clause.

7.5. The Transferee Company shall continue to abide by any agreement(s)/ settlement(s) entered into by the Transferor Companies with any of its employees prior to Appointed Date and from Appointed Date till the Effective Date.

8. APPRENTICES

8.1. The apprentices of the Transferor Companies, upon the Scheme coming into effect, shall become the apprentices of the Transferee Company. The terms and conditions attached to such apprenticeship to apprentices after such transfer shall not in any way be less favourable to them than those applicable to them immediately preceding the transfer.

8.2. Insofar as the stipend of the apprentices is concerned, the stipend support extended by the Government of India under the National Apprenticeship Promotion Scheme, shall be paid through the Direct Benefit Transfer to the bank account of such apprentice, until the Effective Date. Any payment of stipend to the apprentices effected by the Transferor Companies is deemed to have been effected by the Transferee Company upon the Scheme coming into effect. The Direct Benefit Transfer to the bank accounts of such apprentices of the Transferor Companies shall continue when the apprentices become the apprentices of the Transferee Company.

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9. LEGAL PROCEEDINGS

9.1. All legal proceedings of whatsoever nature by or against the Transferor Companies pending and/or arising at the Appointed Date and relating to the Transferor Companies or their properties, assets, debts, liabilities, duties and obligations referred to above, shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Companies. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Companies in the same manner and to the same extent as would, or might, have been initiated by the Transferor Companies.

9.2. The Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

9.3. After the Effective Date, the Transferee Company undertakes to have all legal or other proceedings initiated by or against the Transferor Companies in respect of matters referred above, transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company.

10. CONSIDERATION / ISSUE OF SHARES

10.1. Upon coming into effect of the Scheme and in consideration for transfer and vesting of the Undertakings of the Transferor Companies with and into the Transferee Company, the Transferee Company shall, without any further application or deed and without any further payment, issue and allot to all the equity shareholders of Transferor Companies (whose names appear in the register of members as on the Record Date) in the following manner:

<u>*For Transferor Company 1*</u>
'9 (Nine) equity shares of RML having face value of INR 10/- each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10/- each fully paid up.'

<u>*For Transferor Company 2*</u>
'21 (Twenty-one) equity shares of RML having face value of INR 10/- each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10/- each fully paid up.'

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10.2. Upon the Scheme becoming effective, the equity shares of the Transferee Company to be issued and allotted pursuant to Clause 10.1 above shall be subject to the provisions of the Memorandum and Articles of Association of the Transferee Company and shall rank *pari passu* from the date of allotment in all respects with the existing equity shares of the Transferee Company, including entitlement in respect of dividend and voting rights. Such issue and allotment of equity shares by the Transferee Company as provided in this Scheme is an integral part hereof and be deemed to have been carried out pursuant to the orders passed by the Tribunal without requiring any further act on the part of the Transferee Company or its shareholders and as if the procedure laid down under the provisions of the Act, as may be applicable, and such other statutes and regulations as may be applicable were duly complied with. It is clarified that the approval of members of Transferee Company to the Scheme shall be deemed to be their consent / approval for issuance and allotment of shares of Transferee Company pursuant to the Scheme.

10.3. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Transferor Companies, the Board of the Transferee Company at its sole discretion, shall be empowered, prior to or even after the Effective Date, as the case may be, to effectuate such a transfer in the Transferor Companies as if such changes in registered holder were operative as on the Effective Date in order to remove any difficulties in relation to the issuance of the shares of the Transferee Company after the Scheme becomes effective and the Board of the Transferee Company shall be empowered to remove such difficulties as may arise in the course of implementation of the Scheme and registration of new members in the Transferee Company on account of difficulties faced in the transition period.

10.4. Subject to applicable Laws, the equity shares that are to be issued in terms of this Scheme shall be issued in dematerialised form. The register of members maintained by the Transferee Company and/ or, other relevant records, whether in physical or electronic form, maintained by the Transferee Company, the relevant depository and registrar and transfer agent in terms of Applicable Laws shall (as deemed necessary by the Board of the Transferee Company) be updated to reflect the issue of the shares in terms of this Scheme. The shareholders of the Transferor Companies who hold shares in physical form, should provide the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required, to the Transferee Company, prior to the Record Date to enable it to issue the shares.

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10.5. However, if no such details have been provided to the Transferee Company by the shareholders holding shares in physical share certificates on or before the Record Date, the Transferee Company shall deal with the relevant equity shares in such manner as may be permissible under the Applicable Law, including by way of issuing the corresponding shares in dematerialised form to a trustee nominated by the Board of Transferee Company ("Trustee of Transferee Company") who shall hold these equity shares in trust for the benefit of such shareholder. The equity shares of Transferee Company held by the Trustee of Transferee Company for the benefit of the shareholder shall be transferred to the respective shareholder once such shareholder provides details of his/her/its demat account to the Trustee of Transferee Company, along with such other documents as may be required by the Trustee of Transferee Company. The respective shareholders shall have all the rights of the shareholders of the Transferee Company, including the right to receive dividend, voting rights and other corporate benefits, pending the transfer of equity shares from the Trustee of Transferee Company. All costs and expenses incurred in this respect shall be borne by Transferee Company.

10.6. For the purpose of the allotment of the shares pursuant to this Scheme, in case any shareholder's holding in the Transferor Companies is such that the shareholder becomes entitled to a fraction of a share of the Transferee Company, the Transferee Company shall not issue fractional shares to such shareholder and shall consolidate all such fractions and round up the aggregate of such fractions to the next whole number and issue consolidated shares, in dematerialised form, to a trustee (nominated by the Transferee Company in that behalf), who shall within a period of 90 days from the date of allotment and receipt of consequent listing and trading approval in respect of such shares sell the shares in the market and distribute the net sale proceeds (after deduction of the expenses incurred and applicable income tax) to the respective shareholders in the same proportion of their fractional entitlements. The Transferee Company would within a period of 7 days of compensating the eligible shareholders, submit to the Stock Exchange a report from the Audit Committee and the Independent Directors stating that the eligible shareholders have been compensated. Any fractional entitlements from such net proceeds shall be rounded off to the next Rupee. In the event of any amount remaining unpaid, the same shall, at the end of 7 (seven) years, be transferred to Investor Education and Protection Fund.

10.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the respective Transferor Companies, the Board of the Transferee Company shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in the registered holder were operative as on the Record Date, in order

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to remove any difficulties arising to the transferor or transferee of equity shares in the Transferor Companies, after the effectiveness of this Scheme.

10.8. The shares to be issued pursuant to this Scheme in respect of any equity shares of the Transferor Companies which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance.

10.9. The shares to be issued by the Transferee Company in lieu of the shares of the Transferor Companies held in the respective unclaimed suspense account of the Transferor Companies shall be issued to a new unclaimed suspense account created for shareholders of the Transferor Companies.

10.10. In the event, any or both the Parties restructure their share capital by way of share split / consolidation / issue of bonus shares during the pendency of the Scheme, the share exchange ratio stated in Clause 10.1 above shall be adjusted accordingly, to consider the effect of any such corporate actions undertaken by such Party.

10.11. If necessary, the Transferee Company shall before allotment of the equity shares in term of the Scheme, increase, reclassify, and/or restructure its authorized share capital in such manner and by such amount as may be necessary to satisfy its obligation under the provisions of the Scheme in compliance with the applicable provisions of the Act and the Rules thereunder.

10.12. The Transferee Company shall apply for listing of the Transferee Company new equity shares on the Stock Exchanges in terms of and in compliance of SEBI Circular and other relevant provisions as may be applicable. The new equity shares allotted by the Transferee Company, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the designated Stock Exchange.

10.13. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges and SEBI Circular.

11. INCREASE IN THE AUTHORISED SHARE CAPITAL

11.1. Upon the Scheme becoming fully effective, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company without any further act, deed, matter or thing.

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11.2. Clause V of the Memorandum of Association of the Transferee Company shall, with effect from the Appointed Date and upon the Scheme becoming effective and without any further act, deed, matter or thing be replaced by the following clause:

"V. The Authorised Share Capital of the Company is **Rs. 58,00,00,000** (Rupees Fifty Eight Crores only) divided into **4,73,50,000** (Four Crores Seventy Three Lakhs Fifty Thousand) Equity shares of face value of Rs.10/- (Rupees Ten only) each and **1,06,50,000** (One Crore Six Lakhs Fifty Thousand) Preference shares of face value of Rs.10/- (Rupees Ten only) each carrying such rate of dividend and other rights as may be decided by the company in general meeting from time to time."

11.3. Filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital. The Transferee Company shall not be required to pay the stamp duty to the extent set off for its increased authorised share capital and accordingly, the Transferee Company shall be required to pay only the balance fee stamp duty in relation to its increased authorised share capital after setting off the fees and stamp duty already paid by the Transferor Companies on its authorised share capital. If any further increase of authorised capital is required to issue any shares by the Transferee Company pursuant to the Scheme, the Transferee Company agrees to pass all resolutions as may be necessary for the said purpose in accordance with law and pay all stamp duty and fee in relation to such increase.

11.4. The approval of this Scheme under Sections 230 to 232 of the Act by the shareholders of the Transferee Company, whether at a meeting or otherwise, shall be deemed to be and have the approvals under Section 13, 14, 61, 64 of the Act and other applicable provisions of the Act and other consents and approvals required in this regard to give effect to the increase in authorized capital as contemplated in Clause 11.1.

12. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF TRANSFEROR COMPANIES:

12.1. The transfer and vesting of the Undertakings of the Transferor Companies and the continuance of the said proceedings by or against the Transferee Company shall not affect any transaction or proceedings already concluded by or against the Transferor Companies after the Appointed Date to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done or executed by the Transferor Companies after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 233 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

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13. ACCOUNTING TREATMENT

Amalgamation of Transferor Companies with the Transferee Company:

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets, liabilities and reserves of the Transferor Companies in its books of accounts as a common control business combination as per "Pooling of Interest Method" prescribed under the Indian Accounting Standard Ind-AS 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

a. All the income, expenses, assets, liabilities and reserves in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded at their carrying amounts as appearing in the books of the Transferor Companies, from the earliest period presented in the financial statements i.e. the financial information in the financial statements in respect of prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

b. The identity of the reserves shall be preserved and shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Companies.

c. The Transferee Company shall credit to its Share Capital Account, the aggregate face value of the shares issued by it pursuant to Clause 10 of this Scheme.

d. Upon the Scheme coming into effect, the surplus/deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Companies acquired and recorded by the Transferee Company in terms of Sub-Clause (a) over the face value of the shares issued and allotted pursuant to Clause 10, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.

e. The inter-company investments, loans, advances, deposits, balances unpaid dividend or other obligations between the Transferee Company and the Transferor Companies, if any appearing in the books of the Transferee Company shall stand cancelled and there shall be no further obligation in that behalf.

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f. The Transferee Company shall record in its books of account, all transactions of the Transferor Companies in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

g. In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

h. Notwithstanding the above accounting treatment, the Board of Directors of the Transferee Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

i. Transferor Companies will cease to exist pursuant to the Scheme coming into effect and consequently no accounting will be required in the books of Transferor Companies. Accordingly, no accounting treatment in the books of the Transferor Companies is stated in this Scheme.

14. COMPLIANCE WITH TAX LAWS

14.1. All Taxes including income tax, minimum alternate tax, foreign taxes, customs duty, VAT, service tax, goods and services tax etc. paid or payable by the Transferor Companies in respect of the operations and/ or the profits of Transferor Companies before the Appointed Date shall be on account of the Transferor Companies and in so far as it relates to the Tax payment whether by way of deduction at source, collection at source, advance tax or otherwise howsoever, by the Transferor Companies in respect of the profits or activities or operations of the Transferor Companies on or after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Transferee Company and shall in all proceedings be dealt with accordingly.

14.2. Taxes as per the Tax Laws of the Transferor Companies to the extent not provided for or covered by the Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to the Transferor Companies shall be vested with/be the responsibility of the Transferee Company.

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14.3. The Transferee Company is expressly permitted to revise its financial statements and returns along with prescribed forms, filings and annexures under the Tax Laws (including for the purpose of re-computing minimum alternative tax, and claiming other tax benefits), Service Tax law, VAT law, Goods and Service Tax law and other tax laws, and to claim refunds and / or credits for taxes paid (including tax on book profits, MAT credit and foreign tax credit) and to claim tax benefits etc. and for matters incidental thereto, if required to give effect to the present Scheme from the Appointed Date. Any refund under Income Tax Act, 1961, or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Companies and due to the Transferor Companies consequent to the assessment made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

14.4. Any refund including but not limited to refund under Income Tax Act, 1961, Foreign Taxes, Customs Act 1962, Service Tax laws, VAT laws, Goods and Services Tax laws or other applicable laws or regulations dealing with taxes allocable or related to the business of the Transferor Companies and due to the Transferor Companies consequent to the assessment made on the Transferor Companies and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Transferee Company.

14.5. On and from the Appointed Date, all tax benefits of any nature, duties, cesses or any other like payments or deductions available to the Transferor Companies under Income Tax, Goods and Services Tax, Service Tax etc. or any Tax Deduction at Source, Tax Collection at Source, MAT Credit, tax credits, GST input tax credits, benefits of CENVAT credits, benefits of input credits, and in respect of set-off, carry forward of tax losses, and unabsorbed depreciation shall be deemed to have been on account of or paid by the Transferee Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Transferee Company upon the passing of the order on this Scheme by the NCLT upon relevant proof and documents being provided to the said authorities . On and from the Appointed Date, any Certificate for Tax Deducted at Source, Tax collected at source or any other tax credit certificate relating to the Transferor Companies received in the name of the Transferor Companies shall be deemed to have been received by the Transferee Company, which alone shall be entitled to claim credit for such tax deducted or paid

14.6. On and from the Effective Date, all tax assessment, reassessment and recomputation proceedings / appeals (including application and proceedings in relation to advance ruling) of whatsoever nature by

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or against the Transferor Companies pending and / or arising and relating to the Transferor Companies shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as it would or might have been continued and enforced by or against the Transferor Companies.

14.7. Further, all tax proceedings shall not abate or be discontinued nor be in any way prejudicially affected by reason of amalgamation of the Transferor Companies with the Transferee Company or anything contained in the Scheme.

14.8. Upon the scheme becoming effective, the Transferee Company shall be entitled to (a) claim deduction with respect to items such as provisions. expenses, etc. disallowed in earlier years in the hands of the Transferor Companies (such as u/s 40, 40A, 43B, etc. of the Income Tax Act, 1961), which may be allowable in accordance with the provisions of the Income Tax Act, 1961 on or after Appointed Date and (b) exclude items such as provisions, reversals, etc. for which no deduction or tax benefit has been claimed by the Transferor Companies prior to the Appointed Date.

14.9. Without prejudice to the generality of the above, all benefits, incentives, claims, losses, credits (income tax and other applicable laws) to which the Transferor Companies is entitled to in terms of applicable Tax laws, shall be available to and vest in the Transferee Company from the Effective Date.

14.10. All the expenses incurred by the Transferor Companies and the Transferee Company in relation to the amalgamation in accordance with the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to the Transferee Company in accordance with section 35DD of the Income Tax Act, 1961.

15. CONDUCT OF BUSINESS UNTIL AND AFTER EFFECTIVE DATE

15.1. Transferor Company as Trustee

With effect from the Appointed Date and up to and including Effective Date, the Transferor Companies shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed on account of and for the benefit of and in trust for, the Transferee Company, as the Transferee Company is taking over the business as a going concern. The Transferor Companies shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake

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any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of the Undertakings of the Transferor Companies or any part thereof other than in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or with the written consent of the Transferee Company.

15.2. **Property in Trust**

Notwithstanding anything contained in this Scheme, on or after Effective Date, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom pertaining to the Undertaking of the Transferor Companies are transferred, vested, recorded, effected and/ or perfected, in the records of any Appropriate Authority, regulatory bodies or otherwise, in favour of the Transferee Company, such company is deemed to be authorized to enjoy the property, asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authorities and till such time as may be mutually agreed by the relevant Parties, the Transferor Companies will continue to hold the property and/or the asset, license, permission, approval, contract or agreement and rights and benefits arising therefrom, as the case may be, in trust for and on behalf of the Transferee Company.

15.3. **Profit or Losses up to Effective Date**

With effect from the Appointed Date and up to and including the Effective Date, all profits or incomes accruing or arising to the Transferor Companies or all expenditure or losses incurred or arising, as the case may be, by the Transferor Companies shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of the Transferee Company.

15.4. With effect from the Effective Date, the Transferee Company shall be entitled to use all packed/ labelled goods, packing materials, cartons, stickers, wrappers, labels, containers, point of sale material, sign board, samples, closures, other publicity material, etc. lying unused with the Transferor Companies or their vendors, suppliers or third party or in their supply chain or distribution channel

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and which the Transferor Companies is entitled to use under any statutes/ regulations, till such time as all of such stock exhaust without making any amendment on those goods or materials.

15.5. The Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to the central government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to carry on the business of the Transferor Companies.

16. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

16.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Transferor Companies are a party, subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Companies, the Transferee Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Transferor Companies are a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on the part of the Transferor Companies to be carried out or performed.

16.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities , powers of attorney given by, issued to or executed in favour of the Transferor Companies shall stand transferred to the Transferee Company and the Transferee Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Transferee Company. The Transferee Company shall receive relevant approvals from the government authorities concerned as may be necessary in this behalf.

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17. INTER-SE TRANSACTIONS

17.1. Without prejudice to the aforesaid Clauses, with effect from the Appointed Date, all inter-party transactions between the Transferor Companies and the Transferee Company shall be considered as intra-party transactions for all purposes from the Appointed Date and on the coming into effect of this Scheme, the same shall stand cancelled without any further act, instrument or deed above clause has no impact.

17.2. Further, it is clarified that the above clause shall have no impact whatsoever on any taxes in the form of income-tax, goods and service tax, service tax, works contract tax, value added tax etc. paid on account of such transactions. The taxes paid shall be deemed to have been paid by or on behalf of the Transferee Company and on its own account and therefore, the Transferee Company will be eligible to claim the credit / refund of the same and is also entitled to revise returns, as may be necessary, to give effect to the same.

18. MATTERS RELATING TO SHARE CERTIFICATES

The Share Certificates held by the shareholders of the Transferor Companies shall automatically stand cancelled without any necessity of them being surrendered to the Transferee Company.

19. DISSOLUTION OF THE TRANSFEROR COMPANIES

Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules.

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PART IV

GENERAL TERMS AND CONDITIONS

20. APPLICATION TO NCLT

20.1. Necessary applications and/ or petitions by the Transferor Companies and the Transferee Company shall be made for the sanction of this Scheme to the respective NCLT, for sanctioning of this Scheme under the provisions of law and obtain all approvals as may be required under the law.

21. MODIFICATIONS/AMENDMENTS TO THE SCHEME

21.1. The Transferor Companies and the Transferee Company through their respective Board of Directors or other persons, duly authorised by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the Tribunal or any other Appropriate Authority may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this Scheme into effect.

21.2. After dissolution of the Transferor Companies, the Transferee Company by its Board of Directors or other persons, duly authorised by its Board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the Tribunal or of any directive or order of any other authorities or otherwise, however, arising out of, under by virtue of this Scheme in relation to the Amalgamation and / or matters concerning or connected therewith.

22. DECLARATION OF DIVIDEND, BONUS ETC.

22.1. The Transferor Companies and the Transferee Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by the Transferor Companies and/or by the Transferee Company shall be subject to the prior approval of the Board of Directors of respective companies and in accordance with Applicable Laws. It is clarified that prior approval of any of the Board of the Directors shall not be required for payment of any dividend already announced or declared but yet to be paid, by the Transferor Companies and / or the Transferee Company to its shareholders.

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22.2. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and / or the Transferee Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and / or the Transferee Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Companies and / or the Transferee Company, respectively.

23. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional upon and subject to:

23.1. Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

23.2. The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

23.3. The scheme is conditional upon approval by the public shareholders of the Transferor Companies and the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferor Companies and Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferor Companies and the Transferee Company respectively against it.

23.4. The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

23.5. All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

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24. VALIDITY OF RESOLUTIONS

Upon the coming into effect of the Scheme, the resolutions passed by the Board of Directors and/or shareholders of the Transferor Companies as are considered necessary by the Board of Directors of the Transferee Company and which are valid and subsisting shall continue to be valid and subsisting and be considered as the resolutions of the Transferee Company and if any such resolutions have monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits as are considered necessary by the Board of Directors of the Transferee Company shall be added to the limits if any, under like resolutions passed by the Board of Directors and/or the shareholders of the Transferee Company and shall constitute the aggregate of the said limits in the Transferee Company.

25. BINDING EFFECT

Upon the Scheme becoming effective, the same shall be binding on the Transferor Companies and/or the Transferee Company, Appropriate Authority and all concerned parties without any further act, deed, matter or thing.

26. EFFECT OF NON-RECEIPT OF APPROVALS/ WITHDRAWAL OF SCHEME

26.1. In the event any of the said approvals or sanctions referred to in Clause 23 above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Transferor Companies and/or the Transferee Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

26.2. The Parties acting jointly through their respective Board of Directors shall each be at liberty to withdraw from the Scheme at any time prior to the Effective Date.

26.3. Further, in case of non-receipt of approvals to the Scheme or withdrawal as above, no rights and liabilities whatsoever shall accrue to or be incurred *inter se* the Parties or their respective shareholders or creditors or employees or any other person, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen

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RANE (MADRAS) LTD. "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600 086 or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or in accordance with Applicable Law and in such case, each Party shall bear its own costs, unless otherwise mutually agreed.

27. GIVING EFFECT TO THE SCHEME

27.1. For the purpose of giving effect to the Scheme, the Board of Directors of the Transferor Companies and/or the Transferee Company or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all such acts, deeds and things necessary for carrying into effect the Scheme.

28. SEVERABILITY

28.1. If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the Transferor Companies and/or Transferee Company, affect the validity or implementation of the other parts and/or provisions of this Scheme.

28.2. In the event of any inconsistency between any of the terms and conditions of any earlier arrangement amongst the Transferor Companies and Transferee Company and their respective shareholders, and the terms and conditions of this Scheme, the latter shall prevail.

29. EFFECT OF SCHEME NOT GOING THROUGH

In the event of this Scheme failing to take finally effect for whatsoever reasons, this Scheme shall become null and void and in that case no rights and liabilities whatsoever shall accrue to or be incurred inter-se between the parties or their respective shareholders or creditors or employees or any other person.

30. COSTS

All costs, charges, taxes including duties, levies, stamp duty, and all other expenses, if any (save as expressly otherwise agreed) in relation to the Scheme shall be borne by the Transferee Company.

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DETAILS OF IMMOVABLE PROPERTIES IN THE NAME OF TRANSFEROR COMPANY 1

Sl.No	Location and Address of the Immovable Properties	Purpose
1	Plot No. 68 to 77, Industrial Estate, Medchal, Telangana - 501 401.	Factory for Manufacturing (Plant -2)
2	P.B.No.4, Redhills, Madhavaram, Ponneri - 601 204, Tamilnadu.	Factory for Manufacturing Operating (Plant -3)
3	Survey.No.177/20, Aziz Nagar, Hyderabad, Telangana - 500 075.	Factory for Manufacturing (Plant - 4)
4	Survey nos. 109,111 & 121, Seniapatti, Kasavanur Village, Viralimalai Union, Pudukottai Dist, Tamilnadu - 621 316.	Factory for Manufacturing (Plant - 5)
5	Plot No.36B & 37, Hirehalli Industrial area, Tumkur, Karnataka - 572 168.	Factory for Manufacturing (Plant -6)
6	Plot No 26 , 3rd Main Road, Peenya Industrial Area,1st Phase, Survey No 40, Peenya Village, Yashwanthpur, Bangalore 560 058.	Non- Operating Plant
7	Survey No 100,101 Santhegoundapalayam Village, Pollachi Taluk 642 110.	Vacant Land

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DETAILS OF IMMOVABLE PROPERTIES IN THE NAME OF TRANSFEROR COMPANY 2

Sl.No	Location and Address of the Immovable Properties	Purpose
1	Plot No.30, II Main Road, Ambattur Industrial Estate, Ambattur, Chennai - 600 058 Tamil Nadu State, Comprised in Survey Nos. 122 Part, 131 Part, 130 Part, 132 Part, 142 Part and 143 Part of Mannurpet Village, Ambattur Taluk, Chennai District (as per latest TSLR Extract, new T.S.No.12).	Head Office cum Factory for Manufacturing (Plant-1)
2	Vacant Land admeasuring approximately 1.388 Acres in Ward No.5, Athipet (Ward G), Block No.21, T.S.Nos.32/3, 32/4, 33/4, 33/5 and 33/6.Athipattu Village, Ambattur Taluk, Thiruvallur District, Tamil Nadu State.	Extended Facility of Ambattur Factory
3	Survey No 356/1, 356/3, 356/1 North, 356/1 NE, Pregnapur Village, Gajwel Mandal, Rajiv Gandhi Highway, Siddipet District - 502 311, Telangana State.	Factory for Manufacturing (Plant-2)
4	RS No. 48, 49 & 50, Sanyasikuppam Village, Mannadipet Commune, Thirubhuvanai Post, Puducherry - 605 107.	Factory for Manufacturing (Plant-3)
5	Sethurapatti Village, Fathima Nagar Post, Srirangam Taluk, Trichy - 620 012, Tamil Nadu State.	Factory for Manufacturing (Plant-4)
6	Muthuramalingapuram Village, Aruppukottai Taluk, Virudhunagar District, Tamil Nadu State.	Solar Plant for generation of green power used by Tamil Nadu Plants (Plant-4 & Plant-1)

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RANE (MADRAS) LIMITED "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600086 pwc

Bansi S. Mehta Valuers LLP

PwC Business Consulting Services LLP Registered Valuer No.: IBBI/RV-E/02/2022/158 The Millenia, Tower D, 7th Floor, Murphy Road, Ulsoor, Bangalore – 560 008	Bansi S. Mehta Valuers LLP Registered Valuer : Securities and Financial Asset Registration No. IBBI/RV - E/06/2022/172 11/13 Botawala Building, 2nd Floor, Horniman Circle, Fort, Mumbai – 400 001, Maharashtra

Date: 09 February 2024

To,

The Board of Directors	The Board of Directors	The Board of Directors
Rane (Madras) Limited Maithri, No. 132, Cathedral Road, Chennai - 600 086, India	**Rane Engine Valve Limited** Maithri, No. 132, Cathedral Road, Chennai - 600 086, India	**Rane Brake Lining Limited** Maithri, No. 132, Cathedral Road, Chennai - 600 086, India

Sub: Recommendation of the following:

a. **Fair equity share entitlement ratio for the proposed merger of Rane Engine Valve Limited into Rane (Madras) Limited; and**

b. **Fair equity share entitlement ratio for the proposed merger of Rane Brake Lining Limited into Rane (Madras) Limited.**

Dear Sir / Madam,

We refer to

- The engagement letter dated 29th January 2024, whereby Rane (Madras) Limited (hereinafter referred to as "RML"), Rane Engine Valve Limited (hereinafter referred to as "REVL") and Rane Brake Lining Limited (hereinafter referred to as "RBL") have appointed PwC Business Consulting Services LLP (hereinafter referred to as 'PwC BCS LLP'); and
- The engagement letter dated 17th January 2024 whereby RML, REVL and RBL have appointed Bansi S. Mehta Valuers LLP (hereinafter referred to as 'BSM');

to recommend the following:

- Fair equity share entitlement ratio for the proposed merger of REVL into RML ("Transaction 1"); and
- Fair equity share entitlement ratio for the proposed merger of RBL into RML ("Transaction 2")

RML, REVL and RBL are hereinafter referred to as the "Companies". or the "Clients"

PwC BCS LLP and BSM have been hereinafter referred to as "Valuers" or "we" or "us" and individually referred to as "Valuer" in this joint Entitlement / Exchange Ratio report ("Valuation Report" or "Report").

Share Exchange Ratios mean the following:

a) **Share Exchange Ratio 1** is the ratio in which the equity shareholders of REVL shall be entitled to receive equity shares of RML upon merger of REVL into RML;
b) **Share Exchange Ratio 2** is the ratio in which the equity shareholders of RBL shall be entitled to receive equity shares of RML upon merger of RBL into RML;

PricewaterhouseCoopers Business Consulting Services LLP Bangalore

BANSI S. MEHTA VALUERS LLP REGISTERED VALUER

Share Exchange Ratio 1 and Share Exchange Ratio 2 are collectively referred to 'Share Exchange Ratios' or 'Ratios'.

Our deliverable for this engagement is this report on Share Exchange Ratios ("Share Exchange Ratio Report" or "Report"). In our analysis, we have considered the value of REVL, RBL and RML on a "Going Concern" premise with 08 February 2024 being the "Valuation Date".

BACKGROUND OF COMPANIES

RML is engaged in the manufacture of steering and suspension linkage products and high precision aluminium die casting products. RML is a supplier to major manufacturers of passenger cars, utility vehicles and farm tractors globally and operates in a single reportable business segment namely 'components for transportation industry'. RML has seven manufacturing facilities spread across Tamil Nadu, Puducherry, Karnataka, Uttarakhand and Telangana.

REVL is engaged in the manufacture of engine valves, guides and tappets for passenger cars, commercial vehicles, farm tractors, stationery engines, railway/marine engines and two/three wheelers. REVL has five manufacturing facilities spread across Chennai, Hyderabad, Trichy and Tumkur.

RBL is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which have applications mainly in automobile industry. RBL has four manufacturing facilities, spread across Tamil Nadu, Telangana and Puducherry.

The Companies are public limited companies, with equity shares listed on the National Stock Exchange of India Limited ('NSE') and the BSE Limited ('BSE') in India.

SCOPE AND PURPOSE OF THIS REPORT

We understand that the management of RML, REVL and RBL (hereinafter collectively referred to as the 'Management') are evaluating the following, pursuant to a Composite Scheme of Amalgamation under the provisions of Section 230 to 232 of the Companies Act, 2013 (including any statutory modifications, enactments, re-enactment or amendments thereof) and other applicable securities and capital market laws and rules issued thereunder to the extent applicable ("the Proposed Scheme"):

1. Merger of REVL into RML.
2. Merger of RBL into RML.

Pursuant to the aforesaid mergers (Transaction 1 and Transaction 2) equity shares would be issued by RML to the shareholders of REVL and RBL respectively. Transaction 1 and Transaction 2 are collectively referred to as the "Merger".

The Merger is proposed to be carried out with effect from the appointed date, as specified in the Proposed Scheme.

In connection with the proposed Scheme/ Merger, the Board of Directors of RML, REVL and RBL have appointed BSM and PwC BCS LLP, as Registered Valuers, to recommend Share Exchange Ratios in accordance with generally accepted valuation standards and provide Registered Valuers' Report for recommending the following, for the consideration of the Board of Directors of the Companies.

a. **Share Exchange Ratio 1** being the ratio in which the equity shareholders of REVL shall be entitled to receive equity shares of RML upon merger of REVL into RML;
b. **Share Exchange Ratio 2** being the ratio in which the equity shareholders of RBL shall be entitled to receive equity shares of RML upon merger of RBL into RML;

The Report will be used by the Companies only for the purpose, indicated in this Report, for which we have been appointed. The results of our analysis and our Report cannot be used or relied by the Clients for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report.

It is clarified that any reference to this Report in any document and/ or filing with any tribunal/ judicial/ regulatory authorities/ government authorities/ stock exchanges/ courts/ shareholders/ professional advisors/ merchant bankers, in connection with the proposed Transaction, shall not be deemed to be an acceptance by the Valuers of any responsibility or liability to any person/ party other than to the respective Board of Directors.

The scope of our services is to determine fair value of equity shares of RML, REVL and RBL on a relative basis and recommend Share Exchange Ratios in connection with the proposed Merger in accordance with generally accepted valuation standards.

The Valuers have worked independently in their analysis and arrived at different values per share of the Companies. However, to arrive at the consensus on the Share Exchange Ratios, appropriate minor adjustments/ rounding off have been done by the Valuers.

We have been provided with the audited financials of the Companies for the year ended 31 March 2023 and limited reviewed profit and loss account for the nine months period ended 31 December 2023 and Balance Sheet of the Companies as at December 31, 2023. We have taken into consideration the current market parameters in our analysis and have made adjustments for additional facts made known to us till the date of our Report. Further, we have been informed that all material information impacting the Companies and their operations have been disclosed to us.

We have been informed by the management of the Companies (the "Management") that:

a) there would not be any capital variation in the Companies till the proposed Scheme becomes effective, except issuance and/or conversion of employee stock options/units in normal course of business of the Companies. In case, either of the Companies restructure their share capital by way of share split/consolidation/issue of bonus shares before the proposed Scheme becomes effective, the issue of shares pursuant to Share Exchange Ratios recommended in this Report shall be adjusted accordingly to consider the effect of any such corporate actions.

b) there are no unusual/ abnormal events in the Companies materially impacting their operating performance/ financials after 31 December 2023 till the Report date.

We have relied on the above while estimating the Share Exchange Ratios for the proposed Merger.

Our deliverable for this engagement would be our report on Share Exchange Ratios ("Share Exchange Ratio Report" or "Report"). In our analysis, we have considered the businesses for RML, REVL and RBL on a "Going Concern" premise with 08 February 2024 being the "Valuation Date".

The Ratios have been recommended for consideration of the Board of Directors (including Audit Committee and Committee of Independent Directors, as applicable) of the Companies, in accordance with the applicable relevant laws, rules and regulations of Securities and Exchange Board of India ("SEBI") and the relevant stock exchanges.

The report will be placed before the Audit Committees, Committee of Independent Directors and the Board of Directors of RML, REVL and RBL, as applicable, as per the relevant SEBI circulars, and, to the extent mandatorily required under applicable laws of India, this report maybe produced before the judicial regulatory or governmental authorities, stock exchanges, shareholders in connection with the Transaction. This report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

BACKGROUND OF VALUERS

Bansi S. Mehta Valuers LLP

BSM is a limited liability partnership firm, with its registered office at 11/13 Botawala Building, 2nd Floor Horniman Circle, Fort, Mumbai – 400 001 BSM is engaged in providing valuation and related advisory services.

BSM is registered with IBBI as a Registered Valuer for asset class – Securities or Financial Asset with Registration Number : : IBBI/RV – E /06/2022/172

PwC Business Consulting Services LLP

PwC Business Consulting Services LLP is a limited liability partnership firm, with registered office at 11-A, Sucheta Bhawan, 1st Floor, Vishnu Digambar Marg, New Delhi, 110 002, India. PwC BCS LLP is engaged in providing valuation and related advisory services.

PwC BCS LLP is registered with the IBBI as a Registered Valuer for asset classes - 'Securities or Financial Assets' and 'Plant and Machinery' with Registration No. IBBI/RV-E/02/2022/158.

SOURCES OF INFORMATION

In connection with this exercise, we have used the following information received from the Management and gathered from public domain:

- Draft Scheme of Amalgamation;
- Standalone and Consolidated audited financial statements of RML for the fiscal years ending 31 March 2019, 2020, 2021, 2022 and 2023;
- Standalone and Consolidated limited reviewed profit and loss account of RML for the 9-month period ended 31 Dec 2023 ("YTD Dec-23") and Balance Sheet as at December 31, 2023;
- Standalone audited financial statements of REVL and RBL for the fiscal years ending 31 March 2019, 2020, 2021, 2022 and 2023;
- Standalone limited reviewed profit and loss account of REVL and RBL for the 9-month period ended 31 Dec 2023 ("YTD Dec-23") and Balance Sheet of REVL and RBL as at December 31, 2023;
- Estimated financials for 3 months ending 31 March 2024 and forecasted financials for the 5 fiscal years ending 31 March 2025, 2026, 2027, 2028, and 2029 of RML, REVL and RBL.
- Discussions with the Management to obtain requisite explanation and clarification of data provided;
- Discussions with the Management to inter-alia understand their perception of historical and expected future performance, macro-economic parameters and key value drivers affecting RML, REVL and RBL;
- Land valuation reports for surplus land from registered valuers for RML, RBL and REVL;
- Market comparables and transactions, to the extent information on comparable companies/transactions is available in the public domain;
- General market data, including economic, governmental, and environmental forces, and industry information that may affect the Value;
- Other information and documents for the purpose of this engagement.

In addition, we have obtained information from public sources/ proprietary databases including quarterly results.

During discussions with the Management, we have also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise. The Clients have been provided with the opportunity to review the draft report (excluding the recommended Share Exchange Ratios) as part of our standard practice to make sure that factual inaccuracy/ omissions are avoided in our Report.

RML, REVL and RBL have informed us that Axis Capital Limited, Centrum Capital Limited and Motilal Oswal Investment Advisors Limited (individually or together referred to as "Fairness Team") have been appointed by the Companies respectively to provide fairness opinion on the Share Exchange Ratios for the purpose of the Proposed Transaction. At the request of the Companies we have had discussions with the Fairness Team in respect of our respective valuation analysis.

PROCEDURES ADOPTED AND VALUATION METHODS FOLLOWED

In connection with this exercise, we have adopted the following procedures to carry out the valuation:

- Requested and received financial and qualitative information from the Management.
- Used data available in public domain related to the Companies and its peers.
- Discussions (in-person/over call) with the Management to understand the business and fundamental factors that affect companies' earning-generating capability including strengths, weaknesses, opportunity and threats analysis and historical financial performance.
- Research publicly available market data including economic factors and industry trends that may impact the valuation.
- Analysis of valuation multiples of comparable companies/comparable transactions using information available in public domain and / or proprietary databases subscribed by us or our network firms.
- Selection of well accepted valuation methodology/(ies) as considered appropriate by us.
- Arriving at relative values of the Companies in order to determine the fair equity share entitlement / exchange ratio for the Proposed Transaction.

SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The services do not represent accounting, assurance, accounting / tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen at the Valuation Date. Due to possible changes in market forces and circumstances, this Report can only be regarded as relevant as at the Valuation Date.

This Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our Clients are the only authorized users of this report and use of the Report is restricted for the purpose indicated in the respective engagement letters. This restriction does not preclude the Clients from providing a copy of the Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for the unauthorized use of this Report.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the Client's existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

This report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this report and (iii) and are based on the balance sheets as at 31 December 2023 of RML, REVL and RBL and (iv) other information obtained by us from the Companies from time to time (v) accuracy of information in public domain with respect to comparable companies including financial information. The Management has represented that the business activities of RML, REVL and RBL have been carried out in the normal and ordinary course between 31 December 2023 and the report date and that no material adverse change has occurred in their respective operations and financial position between 31 December 2023 and the report date.

The recommendation(s) rendered in this report only represent our recommendation(s) based upon information till 08 February 2024, furnished by the Companies (or its representatives) and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

A valuation of this nature is necessarily based on the prevailing stock market, financial, economic, and other conditions in general and industry trends in particular, and the information made available to us. The report is issued on the understanding that the management of the Companies have drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which have an impact on our opinion, on the fair equity share entitlement / exchange ratio for the Proposed Transaction as on the Valuation Date. We have considered only circumstances existing at the Valuation Date and events occurring up to the Valuation Date. Events and circumstance may have occurred since the Valuation date concerning the financial position of RML, REVL and RBL or any other matter and such events or circumstances might be considered material by the Companies or any third party. We have taken into account, in our value analysis, such events and circumstances occurring after the Valuation Date as disclosed to us by the Companies, to the extent considered appropriate by us based on our professional judgment. Further, we have no responsibility to update the report for any events and circumstances occurring after the date of this report. Our valuation analysis was completed on a date subsequent to the Valuation Date and accordingly we have taken into account such valuation parameters and over such period, as we considered appropriate and relevant, up to a date close to such completion date.

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion by the Valuers and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions.

The determination of exchange ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore no indisputable single entitlement / exchange ratio. While we have provided our recommendation of the equity share entitlement / exchange ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the fair equity share entitlement / exchange ratio. The final responsibility for the determination of the equity share entitlement / exchange ratio at which the Proposed Transaction shall take place will be with the Board of Directors who should take into account other factors such as their own assessment of the proposed Transaction and input of other advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, technical, financial, and operating data. In accordance with the terms of our respective engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this report and (ii) the accuracy of information made available to us by the Companies. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy, or completeness, we have obtained information as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic or investigation services and does not include verification or validation work. In accordance with our Engagement Letter and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence or otherwise investigated the historical financial information provided to us. We have not independently investigated or otherwise verified the data provided by the Companies. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements and projections. The assignment did not involve us to conduct any financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of RML, REVL and RBL. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusions are based on the assumptions and information given by/on behalf of the Companies. The Management of the Companies has indicated to us that they have understood that any omissions, inaccuracies, or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Companies and their impact on the report. Nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the report. Also, we assume no responsibility for technical information (if any) furnished by the Companies.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this valuation report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation. We have considered the information on contingent liabilities based on the information provided by the management of the Companies. Our conclusion of value assumes that the assets and liabilities of the companies, reflected in their respective latest balance sheets remain intact as of the Valuation Report date.

We are not advisors with respect to legal, tax and regulatory matters for the Transaction.

This report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of the Transaction as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies' claim to title of assets has been made for the purpose of this report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Valuers are not aware of any contingency, commitment or material issue which could materially affect the Companies' economic environment and future performance and therefore, the valuation of the Companies.

We do not provide assurance on the achievability of the results forecast by the Management as events and circumstances do not occur as expected; differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected/forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of Management.

We have not conducted or provided an analysis or prepared a model for any individual assets/ liabilities and have wholly relied on the information provided by the Companies in this regard.

We are independent of the Companies and have no current or expected interest in the Companies or its assets.The fee for the engagement is not contingent upon the results reported.

We owe responsibility to only the Boards of Directors of the respective company that has appointed us under the terms of our respective engagement letters and nobody else. We will not be liable for any losses, claims, damages, or liabilities arising out of the actions taken, omissions of or advice given by any other to the Companies. In no event shall we be liable for any loss, damages, cost, or expenses arising in any way from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employees, or agents. In no circumstances shall the liability of a Valuer, its partners, its directors, or employees, relating to the services provided in connection with the engagement set out in this report shall exceed the amount paid to such Valuer in respect of the fees charged by it for these services.

This valuation report is subject to the laws of India.

Neither the valuation report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Transaction, without our prior written consent. In addition, this report does not in any manner address the prices at which REVL, RBL and RML's equity shares will trade following consummation of the Transaction and we express no opinion or recommendation as to how the shareholders/ creditors of either Company should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Transaction. Our report and the opinion/ valuation analysis contained herein is not and nor should it be construed as advice relating to investing in, purchasing, selling, or otherwise dealing in securities or as providing management services or carrying out management functions. It may be noted that this analysis does not represent a fairness opinion.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

DISCLOSURE OF VALUERS' INTEREST OR CONFLICT, IF ANY AND OTHER AFFIRMATIVE STATEMENTS

We do not have any financial interest in the Clients, nor do we have any conflict of interest in carrying out this valuation.

Further, the information provided by the Management have been appropriately reviewed in carrying out the valuation.

BACKGROUND OF COMPANIES

Rane (Madras) Limited

The issued and subscribed equity share capital of RML as at 31 December 2023 is INR 162.7 million consisting of 1,62,65,267 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31 December 2023	No of Shares	% Share Holding
Promoter & Group	**11,815,955**	**72.7%**
Non-Promoter (Institutions)	101,845	0.6%
Non-Promoter (Others-public)	4,347,467	26.7%
Total Non-Promoter	**4,449,312**	**27.3%**
Grand Total	**16,265,267**	**100.0%**

Source: BSE filing (As at 31 December 2023)

Rane Engine Valve Limited

The current issued and subscribed equity share capital of REVL as at 31 December 2023 is INR 72.3 million consisting of 72,34,455 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31 December 2023	No of Shares	% Share Holding
Promoter & Group	**4,218,825**	**58.3%**
Non-Promoter (Institutions)	30,951	0.4%
Non-Promoter (Others-public)	2,984,679	41.3%
Total Non-Promoter	**3,015,630**	**41.7%**
Grand Total	**7,234,455**	**100.0%**

Source: BSE filing (As at 31 December 2023)

Rane Brake Lining Limited

The current issued and subscribed equity share capital of RBL as at 31 December 2023 is INR 77.3 million consisting of 7,729,871 equity shares of face value of INR 10 each. The shareholding pattern is as follows:

Shareholding Pattern as on 31 December 2023	No of Shares	% Share Holding
Promoter & Group	**5,482,539**	**70.9%**
Non-Promoter (Institutions)	309,884	4.0%
Non-Promoter (Others-public)	1,937,448	25.1%
Total Non-Promoter	**2,247,332**	**29.1%**
Grand Total	**7,729,871**	**100.0%**

Source: BSE filing (As at 31 December 2023)

APPROACH - BASIS OF TRANSACTION

The Proposed Composite Scheme of Amalgamation under the provisions of Section 230 to 232 of the Companies Act, 2013 contemplates a merger of REVL and RBL into RML.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for the proposed Merger and our reasonable judgment, in an independent and bona fide manner.

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The valuation approach adopted by PwC BCS LLP and BSM is given in Annex 1A and 1B respectively (Annex 1A and 1B together referred to as Annexes).

BASIS OF FAIR EQUITY SHARE ENTITLEMENT RATIO - MERGER

The Share Exchange Ratios has been arrived at on the basis of fair value of equity shares of REVL, RBL and RML on a relative basis, based on the various approaches/ methods explained herein after considering various qualitative factors relevant to the Companies, business dynamics and growth potentials of the businesses of the Companies, information base and the underlying assumptions and limitations. To arrive at the consensus on the Share Exchange Ratios for the proposed Scheme, suitable minor adjustments/ rounding off have been done.

While we have provided our recommendation of the Share Exchange Ratios based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratios. The final responsibility for the determination of the Share Exchange Ratios at which the proposed Merger shall take place will be with the Board of Directors of the respective Companies who should take into account other factors such as their own assessment of the proposed Scheme and input of other advisors.

In light of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the fair equity share entitlement ratio for the merger of REVL and RBL into RML as under:

9 (Nine) equity shares of RML (of INR 10/- each fully paid up) for every 20 (Twenty) equity shares of REVL (of INR 10/- each fully paid up).

21 (Twenty-one) equity shares of RML (of INR 10/- each fully paid up) for every 20 (Twenty) equity shares of RBL (of INR 10/- each fully paid up).

Respectfully submitted,	Respectfully submitted,
PwC Business Consulting Services LLP IBBI Registered Valuer No.: IBBI/RV-E/02/2022/158 PricewaterhouseCoopers Business Consulting Services LLP pwc Bangalore Vishnu Giri Partner Registered Valuer No.: IBBI/RV/02/2021/14260 Date: 9 February 2024	BANSI S. MEHTA VALUERS LLP Registered Valuer Registration Number: IBBI/RV – E /06/2022/172 BANSI S. MEHTA VALUERS LLP REGISTERED VALUER Drushti R. Desai Partner IBBI Registration No.: IBBI/RV/06/2019/10666 Place: Mumbai Date: 9 February 2024 UDIN: 24102062BKEVBK8771

Annexure 1A- Approach to Valuation – PwC BCS LLP

The scope of our services is to conduct a relative (and not absolute) valuation of RML, REVL and RBL and to issue a joint report on the fair equity share entitlement / exchange ratio for the Transaction.

Arriving at the fair equity share entitlement / exchange ratios for the proposed merger of REVL and RBL into RML, would require determining the relative equity valuation of RML, REVL and RBL based on methodologies explained herein and various qualitative factors relevant to RML, REVL and RBL.

We have carried out the valuations in accordance with the International Valuation standards.

The three main valuation approaches are the market approach, income approach and asset approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the fair equity Share Entitlement / Exchange Ratio for the purpose of the Proposed Transaction, such as:

1. Asset Approach- Net Asset Value (NAV) Method
2. Income Approach
   - Discounted Cash Flow (DCF) Method
3. Market Approach
   - Market Price Method
   - Comparable Companies Multiples (CCM) Method
   - Price of Recent Investment Method

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

Asset Approach - Net Asset Value method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated i.e., it does not meet the "going concern" criteria or in case where the assets base dominates earnings capability. A Scheme of merger would normally be proceeded with, on the assumption that the companies/ businesses would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of merger, with the values arrived at on the net asset basis being of limited relevance.

The above assertions would hold true for auto components businesses as well. Any potential prudent buyer of the assets would not pay a price higher than that based on the earning capacity from assets by operating the business. Conversely, if the assets were to be sold piecemeal, there are significant costs, both direct (in terms of time, effforts and costs of sale) and indirect (closure costs for the business on piece-meal asset sale). Hence the underlying assets value has limited relevance for this exercise.

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Income Approach

Income approach is a valuation approach that converts maintainable or future amounts (e.g., Cash flows or income and expenses) to a single current (i.e., discontinued or capitalised amount). This value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Considering the stage of operations of all three companies and the availability of respective projected cash flows, we have relied on the Income Approach for the valuation.

- **Discounted Cash Flows (DCF) Method**

  Under the DCF method the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.

  Using the DCF analysis involves determining the following:

  Estimating future free cash flows:

  Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies'/ business' capital – both debt and equity.

  Appropriate discount rate to be applied to cash flows i.e., the cost of capital:

  This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

Market Approach: Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as business

- **Market Price (MP) Method**

  The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper index of the fair value of the share especially where the market values are fluctuating in a volatile capital market. Further, in the case of merger, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

  The equity shares of REVL, RBL and RML are listed on NSE and BSE and are frequently traded. Hence the Market Price method has been considered for valuation purposes.

- **Comparable Companies Multiple (CCM) method**

  Under this method, value of a business / company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

  Taking into account the availability of comparable listed companies, we have relied on the CCM method. Considering that all three companies are profitable, we have relied on the Enterprise Value/EBITDA method.

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- **Comparable Transaction Multiple Method ("CTM")**

  This method involves valuing an asset based on transactions in comparable companies as related to earnings, assets etc.

  We have not used CTM Method due to lack of information in the public domain on comparable transactions.

The basis of merger of REVL and RBL into RML has been determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, it is finally necessary to arrive at a single value for merger. It is important to note that we are not attempting to arrive at the absolute equity values of RML, REVL and RBL, but at their relative values to facilitate the determination of a fair equity share entitlement ratio for Merger. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

We have considered appropriate weights to values arrived at under Income and Market Approaches.

The computation of fair equity share entitlement ratio as derived by PwC BCS LLP for merger of REVL and RBL into RML, is given below:

Valuation Approach	REVL		RBL		RML	
	Value per Share (INR)	**Weight**	**Value per Share (INR)**	**Weight**	**Value per Share (INR)**	**Weight**
Asset Approach*	NA	NA	NA	NA	NA	NA
Income Approach - DCF Method	403	50%	972	50%	949	50%
Market Approach - Market Price Method - CCM Method	 369 430	 25% 25%	 855 1,043	 25% 25%	 809 956	 25% 25%
Relative Value per Share	**401**		**961**		**916**	
Fair Equity Share Entitlement Ratio *(rounded off)*	**9:20 (RML : REVL)**		**21:20 (RML : RBL)**			

NA = Not Applied / Not Applicable

**Since, the businesses of RML, REVL and RBL are intended to be continued on a 'going concern basis' and there is no intention to dispose off the assets, therefore the Asset (Cost) Approach is not adopted for the valuation exercise.*

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Annexure 1B- Approach to Valuation – BSM

It is universally recognized that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

For the purpose of arriving at valuation of the Valuation Subjects, we have considered the valuation base as 'Fair Value'. Our valuation, and this report, is based on the premise of 'going concern value'. Any change in the valuation base, or the premise could have significant impact on our valuation exercise, and therefore, this Report.

It may be noted that the Institute of Chartered Accountants of India (ICAI) on June 10, 2018, has issued the ICAI Valuation Standards ("IVS") effective for all the valuation reports issued on or after July 1, 2018. IVS are mandatory for a valuation done under the Companies Act, 2013, and recommendatory for valuation carried out under other statutes/ requirements. We have given due cognizance to the same in carrying out the valuation exercise.

IVS 301 on Business Valuations deals with valuation of a business or business ownership interest (i.e., it includes valuation of equity shares).

IVS 301 specifies that generally, the following three approaches are used for valuation of business/business ownership interest:

1. Market approach
2. Income approach
3. Cost approach

Each of the above approaches are discussed in the following paragraphs.

1. **Market Approach**

Market approach is a valuation approach that uses prices and other relevant information generated by market transactions involving identical or comparable (i.e., similar) assets, liabilities or a group of assets and liabilities. The common methodologies under the Market Approach are as under.

a) **Market Price Method:**

This method involves determining the market price of an entity based on its traded price on the stock exchange over a reasonable period of time.

Equity shares of REVL, RBL and RML are listed on NSE and BSE and are frequently traded.

We have considered the market price of the shares of the Companies based on the weighted average price on NSE (being stock exchange with higher turnover) for three months up to the Valuation Date.

b) **Comparable Companies Multiple Method ("CCM")**

This method involves valuing the valuation subject based on market multiples of comparable companies.

Under Comparable Companies Multiple Method, we have computed the fair value based on operating profits, and asset base of the Valuation Subjects. We have used the EV/EBITDA and Price to Book multiple under this Method. To arrive at an average value under CCM we have given equal weights to values arrived using EV/EBITDA and Price to Book multiple.

c) **Comparable Transaction Multiple Method ("CTM")**

This method involves valuing an asset based on transaction of comparable companies as related to earnings, assets etc.

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We have not used CTM Method due to lack of information in the public domain on comparable transactions of similar scale.

2. **Income Approach**

Income approach is a valuation approach that converts maintainable future amounts (e.g., cash flows or income and expenses) to a single current (i.e., discounted, or capitalised) amount. An approach based on earnings is relevant in case of companies generating a steady stream of income.

We have used this approach for valuation of the shares of the Companies.

- Estimating future free cash flows:

  Free cash flows are the cash flows expected to be generated by the company that are available to the providers of the company's capital.

- Appropriate discount rate applied to cash flows to equity i.e., the cost of equity:

  Discount rate, which is the opportunity cost of capital provided i.e. the rate of return the capital provider expects to earn on other investments of equivalent risk.

  For the purpose of computing value under the DCF Method, we have relied on the projections provided by the Management. It may be noted that projections are the responsibility of the Management. We have, therefore, not performed any audit, due diligence of any prospective information used and therefore, do not express any opinion with regards to the same. However, we have reviewed and analysed the projections for their acceptability.

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3. **Cost Approach:**

It is a valuation approach that reflects the amount that would be required currently to replace the service capacity of an asset (often referred to as current replacement cost). IVS 301 on Business Valuations and IVS 103 on Valuation Approaches and Methods specify that common methodologies for Cost Approach are Replacement Cost Method and Reproduction Cost Method. These methods involve determining the value of the asset based on the cost that will have to be incurred to recreate/replicate the asset with substantially the same utility as that of the asset under valuation.

In a going concern scenario earning power of a business, as reflected under the Earnings based and Market approaches, is of greater importance, with the values arrived at on the net assets basis being of limited relevance. Cost Approach based on the net asset value of a company would not capture the future outlook and the growth potential of the Valuation Subjects. Therefore, we have not used cost approach to determine the value of Valuation Subjects.

Fair Valuation:

We have arrived at the fair value of equity shares of the Valuation Subjects by applying equal weights to the value derived under CCM, Market Price Method and DCF Method.

The value for CCM is derived under the Market Approach based on average of EV/EBITDA Multiple and Price to Book Multiple Method.

The computation of fair equity share entitlement ratio as derived by BSM for merger of REVL and RBL into RML, is given below:

Valuation Approach	REVL		RBL		RML	
	Value per Share (INR)	**Weight**	**Value per Share (INR)**	**Weight**	**Value per Share (INR)**	**Weight**
Cost Approach*	NA	NA	NA	NA	NA	NA
Income Approach - DCF Method (i)	381.1	33.3%	936.0	33.3%	894.2	33.3%
Market Approach						
Market Price Method (ii)	368.6	33.3%	855.4	33.3%	809.0	33.3%
Comparable Companies Multiples method (iii)	512.8	33.3%	1,137.5	33.3%	1073.5	33.3%
Relative Value per Share [Weighted Average of (i),(ii) and (iii)]	**420.8**		**976.3**		**925.6**	
Fair Equity Share Entitlement Ratio *(rounded off)*	**9:20 (RML : REVL)**		**21:20 (RML : RBL)**			

NA = Not Applied / Not Applicable

* Cost Approach based on the net asset value would not capture the future outlook and the growth prospects of the Companies. Therefore, we have not used cost approach to determine the value.

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CENTRUM

February 09, 2024

The Board of Directors/Audit Committee,
Rane Engine Valve Limited
Maithri No. 132, Cathedral Road,
Chennai, Tamil Nadu - 600 086

Dear Sir / Madam,

Sub: Fairness opinion on the recommendation of fair share exchange ratio ("Share Exchange Ratio") for the Proposed Transaction of Amalgamation of Rane Engine Valve Limited into and with Rane (Madras) Limited

We refer to the Engagement Letter dated 11th January, 2024 with Centrum Capital Limited (hereinafter referred to as **"Centrum" or "us" or "we"**) wherein Rane Engine Valve Limited (hereinafter referred to as **"you" or "REVL" or "the Company" or "Transferor Company -1"**) has requested us to provide a fairness opinion on the Share Exchange ratio as on February 9, 2024 **("Valuation Date")** recommended by Bansi S. Mehta Valuers LLP and PwC Business Consulting Services LLP and (collectively referred to as **"Registered Valuers" / Valuers"**) for the proposed Amalgamation (the **"Amalgamation")** of the Transferor Company -1, with and into Rane (Madras) Limited **("RML" or "Transferee Company") ("Proposed Transaction")** pursuant to the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013 **("Act")**, and other applicable provisions and rules framed thereunder.

- **Scheme** as mentioned herein refers to the merger of (i) Transferor Company 1 and (ii) Rane Brake Lining Limited (hereinafter referred to as **"RBL" or "Transferor Company -2"**) into Transferee Company.
- Transferor Company -1 and Transferor Company -2 are collectively referred to as the "**Transferor Companies**".

A. SCOPE AND PURPOSE OF THE REPORT

1.1.1 We understand that the Company is evaluating amalgamation of REVL with and into RML.

1.1.2 The consideration with respect to Proposed Amalgamation will be the issue and allotment of the equity shares of RML to the shareholders of REVL in accordance with the Share Exchange Ratio as recommended by the Registered Valuers. The proposed Amalgamation is to be carried out pursuant to the Scheme of Amalgamation under Sections 230 to 232 of the Companies Act, 2013, and other applicable provisions and rules framed thereunder.

The draft Scheme of Amalgamation **("Scheme")** provides for the following:

(i) The amalgamation of REVL and RBL with and into RML;

Centrum Capital Limited (CIN No.:L65990MH1977PLC019986)
Corporate Office : Centrum House, CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai - 400 098. Tel : +91 22 4215 9000
Registered Office: 2nd Floor, Bombay Mutual Building, Dr. D. N. Road, Fort, Mumbai - 400 001. Tel : +91 22 2266 2434 Email : info@centrum.co.in
Website: www.centrum.co.in

(ii) Issue and allotment of equity shares of RML to the equity shareholders of REVL as per the Share Exchange Ratio recommended by the Valuers;

(iii) Issue and allotment of equity shares of RML to the equity shareholders of RBL as per the Share Exchange Ratio recommended by the Valuers;

(iv) The Appointed Date means the opening of business hours on April 1, 2024 or such other date as may be fixed or approved by the NCLT; and

(v) The Scheme will come into effect from the Effective Date (as defined in the Scheme), being the last of the dates on which the authenticated copies or certified copies of the order of NCLT under Sections 230 to 232 of the Act sanctioning the Scheme is filed with Registrar of Companies by the Transferor Companies and Transferee Company.

In connection with the aforesaid, the Management of REVL (**"Management"**) has engaged Centrum to submit a fairness opinion report on the Share Exchange Ratio with respect the Proposed Amalgamation of REVL into and with RML.

Our scope of work includes commenting only on the fairness of the Share Exchange Ratio with respect the Proposed Amalgamation of REVL into and with RML for the consideration of the Board of Directors and committees of the Board of the Company.

This report is our deliverable in respect of the above engagement. This report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the report is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

This report has been issued for facilitating the Proposed Transaction and should not be used for any other purpose. The aforesaid amalgamation shall be pursuant to the draft Scheme of Amalgamation and shall be subject to the receipt of approval from National Company Law Tribunal or such other competent authority as may be applicable and other statutory/ regulatory approvals as may be required. The scheme is conditional upon approval by the public shareholders of the REVL and RML through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 **("SEBI Master Circular")**. The detailed terms and conditions of the Proposed Transaction is fully set forth in the draft Scheme of Amalgamation. Centrum has issued this Fairness Opinion with the understanding that draft Scheme of Amalgamation shall not be materially altered and the parties hereto agree that the Fairness Opinion would not stand good in case the final Scheme of Amalgamation alters the Proposed Transaction.

B. BACKGROUND

1. Rane Engine Valve Limited

1.1. Rane Engine Valve Limited was incorporated on March 9, 1972, as a limited company in the State of Tamil Nadu under the Companies Act, 1956 under the name and style "Techcons

Limited". The name of the Transferor Company-1 was changed to its present name Rane Engine Valve Limited on February 06, 2008. Its registered office is situated at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The Transferor Company-1's Corporate Identity Number is L74999TN1972PLC006127. The PAN number of the Transferor Company-1 is AAACT1279M and the email ID of the authorised representative is ks.anand@ranegroup.com. The Transferor Company-1 is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., engine valves, valve guide and tappet. The equity shares of the Transferor Company-1 are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

1.2. The share capital structure of the Transferor Company-1 as on 31st December, 2023 is as under:

Share Capital	Amount in INR
Authorized share capital	
1,23,50,000 Equity Shares of Rs.10 each	12,35,00,000
1,50,000 13.5% Preference Shares (1,50,000 Preference Shares) of Rs. 10 each	15,00,000
Total	**12,50,00,000**
Issued, subscribed and paid-up share capital	
72,34,455 Equity Shares of Rs.10/- each fully paid-up	7,23,44,550
Total	**7,23,44,550**

2. Rane (Madras) Limited

2.1. Rane (Madras) Limited (hereinafter referred to as 'RML' or "Transferee Company") was incorporated on 31/03/2004, as a limited company in the State of Tamil Nadu under the Companies Act, 1956 under the name and style Rane Holdings Limited and name was changed to Rane (Madras) Manufacturing Limited on February 22, 2005. The name of the Transferee Company was further changed to its present name Rane (Madras) Limited on May 19, 2005. Its registered office is situated at Maithri, 132, Cathedral Road, Chennai, Tamil Nadu, India, 600086. The Transferee Company's Corporate Identity Number is L65993TN2004PLC052856. The PAN number of the Transferee Company is AACCR9772M and the email ID of the authorised representative is s.subhashree@ranegroup.com. The Transferee Company is engaged in the business of manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products. The equity shares of the Transferee Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

2.2. The share capital structure of the Transferee Company as on 31st December, 2023 is as under:

Share Capital	Amount in INR
Authorized share capital	
Equity Shares: 2,50,00,000 equity shares of Rs.10/- each	25,00,00,000
Preference Shares: 1,05,00,000 preference shares of Rs.10/- each	10,50,00,000
Total	**35,50,00,000**
Issued, subscribed and paid-up share capital	
Equity Shares: 1,62,65,267 equity shares of Rs.10/- each fully paid-up.	16,26,52,670
Total	**16,26,52,670**

C. RATIONALE OF THE PROPOSED TRANSACTION

The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

a) The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

b) Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

c) Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

d) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

e) The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

f) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

g) Optimization of support and administration functions.

h) Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

i) Improved organization capability and leadership, arising from pooling of human capital.

D. SOURCES OF INFORMATION

We have relied on the following information received from the Management in connection with the exercise:

- Draft and Final report by Valuers dated February 9, 2024;
- Draft Scheme of Amalgamation;
- Audited financials of REVL for FY20-21, FY21-22 and FY22-23 and unaudited limited review financials for the quarter and nine months ended December 31, 2023;
- Audited financials of RML for FY20-21, FY21-22 and FY22-23 and unaudited limited review financials for the quarter and nine months ended December 31, 2023;
- Financial Projections of REVL and RML;
- Other relevant information and documents for the purpose of this engagement provided through e-mails and/or during discussions.

We have also obtained further explanations and information from the Management considered reasonably necessary for our exercise.

E. PROCEDURES ADOPTED

In connection with this exercise, we have adopted the following procedure to issue a fairness opinion-

- Requested and received financial and qualitative information;
- Obtained data available in public domain;
- Discussions (over call) with the Management to:
  - Understand the rationale of the Proposed Transaction;
  - Seek clarifications wherever required; and
- Discussions (over call) with Registered Valuers on the draft and final valuation reports and workings of the Registered Valuers.

F. BASIS OF OPINION

APPROACH

The Share Exchange Ratio is based on the Valuation report dated February 9, 2024 submitted by the Registered Valuers. The Registered Valuers have recommended the following Share Exchange Ratios for the Proposed Amalgamation of REVL into and with RML. –

Share Exchange Ratio –

'9 (Nine) equity share of RML (of INR 10/- each fully paid up) for every 20 (Twenty) equity shares of REVL (of INR 10/- each fully paid up)'

The determination of share exchange ratio would not influence the ultimate value for the REVL and RML.

Centrum has taken the foregoing facts (together with the other facts and assumptions set forth in the section Limitation of Scope and Review) into account when determining the meaning of "fairness" for the purpose of this opinion.

G. LIMITATION OF SCOPE AND REVIEW

The Fairness Opinion only aims to represent that the Share Exchange Ratio as contained in the Opinion is fair and further that the Fairness Opinion shall be valid only for a limited period of time post Centrum's assessment of the relevant information. The Fairness Opinion may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity. Fairness Opinion assessment and the Opinion are specific to the date of this report. As such, the Opinion is, to a significant extent, subject to continuance of current trends beyond the date of the report. The services do not represent accounting, assurance, accounting/tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

Centrum's opinion and analysis is limited to the extent of review of documents as provided to Centrum by REVL and RML including the Valuation Report dated February 9, 2024, submitted by the Valuers and the draft Scheme of Amalgamation.

Centrum has relied upon the accuracy and completeness of all information and documents without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. Centrum has not conducted any independent valuation or appraisal of any of the assets or liabilities of REVL. In particular Centrum does not express any opinion as to the value of any asset of REVL whether at current prices or in the future.

No due diligence into any right, title or interest in property or assets was undertaken and no responsibility is assumed in this respect or in relation to legal validity of any such claims. We have assumed that the information provided to us presents a fair image of REVL at the Valuation Date. Accordingly, we assume no responsibility for any errors in the above information furnished by the

Management and their impact on the present exercise. Also, we assume no responsibility for technical information furnished by the Management and believed to be reliable.

Centrum's opinion is not and should not be construed as Centrum's opining or certifying the compliance of the Proposed Transaction with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising from such Proposed Transaction. In addition, we express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Transaction.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Centrum does not express any opinion as to the price at which equity shares of REVL may trade at any time, including subsequent to the date of this opinion. In rendering the opinion, Centrum has assumed that the Scheme will be implemented on the terms describe therein, without any waiver or modification of any material terms or conditions and that in course of obtaining the necessary regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have adverse effect on REVL and their respective shareholders.

Centrum has also not opined on the fairness of any terms and conditions of the Scheme other than the fairness, from financial point of view, of the Share Exchange Ratio. We acknowledge that this Fairness Opinion will be shared to the extent as may be required, with relevant Tribunal, stock exchanges, advisors of the Companies as well as with statutory authorities in relation to the proposed Scheme. This Fairness Opinion can also be shared with the shareholders of the REVL and RML, as may be required, in relation to the proposed Scheme.

Centrum assume no responsibility for updating or revising its opinion based on circumstances or events occurring after the date hereof. Centrum's opinion is specific to the Proposed Transaction as contemplated in the Scheme as provided to Centrum and is not valid for any other purpose. It is to be read in totality and not in parts, in conjunction with the relevant documents referred to therein.

Save and except for REVL, Centrum owes no responsibility to any person in connection with this Fairness Opinion. It may be noted that Centrum's liability in connection with this Fairness Opinion shall be limited only to the extent of fees received for the purpose of this engagement. Centrum does not accept any liability to any third party in relation to the issue of this Fairness Opinion. Neither this Fairness Opinion nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties without Centrum's prior written consent. Centrum retains the right to deny permission for the same.

In the ordinary course of business, Centrum and its affiliates are engaged in securities trading, securities brokerage and investment activities as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of Centrum and its affiliates may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the proposed scheme.

The laws of India govern all matters arising out of or relating to this opinion (including, without limitation, its interpretation, construction, performance, and enforcement). This report is subject to the laws of India.

H. OPINION

Having regard to all relevant factors, on the basis of information provided and explanations given to Centrum by the REVL and the Valuers, Centrum is of the opinion, on the date hereof to the best of its knowledge and belief, that the above Share Exchange Ratio as recommended by the Valuers is fair.

It should be noted that we have examined only the fairness of the Share Exchange Ratio for the amalgamation of REVL with and into RML and have not examined any other matter including fairness of the Share Exchange Ratio for the amalgamation of RBL with and into RML, economic rationale for the amalgamation of REVL with RML per se or accounting and tax matters involved in the Proposed Transaction.

Yours truly,
For and on behalf of Centrum Capital Limited

Authorised Signatory
Name: Pranjal Srivastava
Designation: Partner – Investment Banking

Pooja Sanghvi
Authorised Signatory
Name: Pooja Sanghvi
Designation: AVP – Investment Banking

Date: February 9, 2024
Place: Mumbai

MOTILAL OSWAL
INVESTMENT BANKING
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STRICTLY CONFIDENTIAL

February 9, 2024

The Board of Directors
Rane Brake Lining Limited
Maithri, No. 132,
Cathedral Road,
Chennai - 600 086, India

Ladies and Gentlemen:

Background of the Engagement

We understand that the Board of Directors of Rane (Madras) Limited ("**Transferee Company**") is considering the merger by absorption of Rane Brake Lining Limited ("**Transferor Company**") into Rane (Madras) Limited through a Scheme of Amalgamation ("**Scheme**") under Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act 2013 (including any statutory modification or re-enactment or amendment thereof), as may be applicable ("**Proposed Merger**"). The Transferee Company and Transferor Company shall together, be hereinafter referred to as ("**Companies**").

PwC Business Consulting Services LLP (**"PwC"**) bearing registration number IBBI Registration No. IBBI/RV-E/02/2022/158 and Bansi S. Mehta Valuers LLP (**"Bansi"**) bearing registration number IBBI/RV - E/06/2022/172 (together referred to as "**Valuers**") have each issued a report dated February 9, 2024 (the **"Valuation Reports"**) in relation to valuation of the Transferee Company and Transferor Company. Based on our perusal of the Valuation Reports, we understand that it has been proposed that pursuant to the Proposed Merger, the Transferee Company shall issue and allot 21 (Twenty-One Only) fully paid-up equity shares of ₹10 each of the Transferee Company for every 20 (Twenty Only) fully paid-up equity shares ₹10 each of the Transferor Company.

In connection with the aforesaid, and pursuant to an engagement letter dated January 9, 2024, ("**Engagement Letter**") whereby Rane Brake Lining Limited (hereinafter referred to as **"Company"**) has engaged Motilal Oswal Investment Advisors Limited (**"MOIAL"**) to provide a fairness opinion to the Company on the share exchange ratio, from a financial point of view, in relation to the Proposed Merger ("**Fairness Opinion**"). This Fairness Opinion is being issued pursuant to the requirements of the SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, titled "*Master Circular on Scheme of Arrangement by Listed Entities* including amendments thereof.

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Background of Rane (Madras) Limited

Rane (Madras) Limited ("**RML**") was incorporated on March 31, 2004, as a public limited company under the Companies Act, 1956 in the state of Tamil Nadu. The CIN of RML is L65993TN2004PLC052856. The Registered Office of the RML is situated at Maithri, No. 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India. The equity shares of RML, bearing ISIN INE050H01012 are listed on the BSE Limited and are traded under the scrip code ***532661*** and the National Stock Exchange of India Limited and are traded under the scrip code RML.

Background of Rane Brake Lining Limited

Rane Brake Lining Limited ("**RBL**") was incorporated on December 17, 2004, as a public limited company under the Companies Act, 1956 in the state of Tamil Nadu. The CIN of RBL is L63011TN2004PLC054948. The Registered Office of the RBL is situated at Maithri, No. 132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India. The equity shares of RBL, bearing ISIN INE244J01017 are listed on the BSE Limited and are traded under the scrip code ***532987*** and the National Stock Exchange of India Limited and are traded under the scrip code RBL.

Brief Background of the Scheme of Merger

The Scheme, as approved by the Board of Directors of the Company is expected to be available on the websites of the Company as well as on the BSE and the NSE. The rationale for the Scheme, as shared with us, by the Board of Directors of the Company is as follows:

"The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below: a) The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure. b) Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player. c) Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention. d) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged

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entity will benefit from economies of scale by pooling resources. e) The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream. f) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies. g) Optimization of support and administration functions. h) Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses. i) Improved organization capability and leadership, arising from pooling of human capital."

Sources of information made available for our review

For arriving at the opinion set out below, we have, among other things:

1. reviewed the Valuation Report issued by the Valuers;

2. reviewed the Draft Scheme document;

3. reviewed the audited financial information of the Company for the year ended March 31, 2023 and Management certified unaudited standalone financial statements of the Company comprising of balance sheet and profitability statement for 6 months period ended September 30, 2023 and limited reviewed financial information for the period ended December 31, 2023.

4. reviewed certain historical business and financial information which was publicly available of each of the Company;

5. reviewed historical stock prices and trading volumes of the Transferee Company on BSE & NSE;

6. held discussions with the Valuers, in relation to the approach taken to valuation, and the details of the various methodologies utilized by them, including analysis and selection of peers utilised for the market approach to valuation and such other matters which we believed were appropriate for the purposes of preparing the Fairness Opinion;

7. sought relevant information and various clarifications from the respective senior management team of the Company; and

8. performed such other financial analysis and considered such other information and factors as we deemed appropriate.

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Assumptions and Limitations

In relation to the Fairness Opinion,

1. we have assumed and relied upon, without independent verification on an "as is" basis, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Companies for the purposes of this Fairness Opinion. We express no opinion, and accordingly, accept no responsibility with respect to or for such information, or the assumptions on which it is based, and, we have simply accepted this information on an "as is" basis, and have not verified the accuracy and/ or the completeness of the same from our end;

2. we have made certain assumptions, judgments and estimates during our interactions with the Company's Management, which we believe are reasonable and appropriate. Given the nature of the assignment, however, no assurances can be given as to the accuracy of any such assumptions, judgments and estimates;

3. It is expressly stated that the basis of the fairness opinion is contingent on the Proposed Merger culminating in the form and manner that has been proposed in the scheme of amalgamation;

4. we have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Companies and neither express any opinion with respect thereto nor accept any responsibility thereof. We have not made any independent valuation or appraisal of the assets or liabilities of the Companies, nor have we been furnished with any such appraisals;

5. we have not reviewed any internal management information statements or any non-public reports other than those covered above, and have relied upon information that was publicly available or provided or otherwise made available to us by the Companies on an "as is" basis for the purposes of this Fairness Opinion;

6. we assume no responsibility for the legal, tax, accounting or structuring related matters in relation to the Companies and the Proposed Merger;

7. we have relied on the assessment of the management of the Companies that they have assessed the commercial merits, including that the Proposed Merger is in the best interests of the shareholders of the respective Companies, and we express no opinion on such assessment;

8. we have not independently verified any financial forecasts, business plans or other internal financial analysis relating to the Transferor Company and Transferee Company;

9. we have made no adjustment to the share price of Transferee Company for the purposes of our analysis;

10. we are not experts in the evaluation of litigation or other actual or threatened claims, and accordingly, we have not evaluated any litigation or other actual or threatened claims;

11. we have assumed that there are no other contingent liabilities or circumstances that could materially affect the business or financial prospects of the Companies other than as disclosed by the Companies and to the extent the Companies believe they are likely to materialize and have, to that extent, been adjusted in the valuation;

12. we have also assumed that there has been no material change in the assets and financial condition, results of operations, business, or prospects of the Companies since the date of the most recent financial statements published that have not otherwise been disclosed in the public domain;

13. we understand that the management of the Companies, during our discussion with them, would have drawn our attention to all such information and matters, and would have disclosed such matters to us in a timely manner, which may have an impact on our analysis and opinion;

14. we have assumed that the Proposed Merger will be approved by regulatory authorities and that the Proposed Merger will be consummated substantially in accordance with the terms set forth in the Scheme, and that the final version of the Scheme will not change in any material respect from the draft version we have reviewed for the purpose of this opinion;

15. we have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Merger, no restrictions will be imposed or there will be no delays that will have a material adverse effect on the benefits of the Proposed Merger that may have been contemplated; and

16. the Fairness Opinion is provided as on the date and events occurring after the date hereof may affect this Fairness Opinion and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm our opinion.

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Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof.

Our Fairness Opinion does not address nor recommend at all as to the Companies' underlying decision to effect the Proposed Merger or as to how the holders of equity shares or the secured or unsecured creditors of Companies should vote at their respective meetings held in connection with the Proposed Merger.

We do not express and should not be deemed to have expressed any views on any other terms of the Proposed Merger. We also express no opinion, and accordingly, accept no responsibility for or as to the price at which the equity shares of the Transferee Company will trade on the stock exchanges following the announcement of the Proposed Merger or as to the financial performance of the Companies following the consummation of the Proposed Merger. We express no opinion whatsoever and make no recommendations at all (and accordingly take no responsibility) as to whether shareholders/ investors should buy, sell, or hold any stake in the Companies or any of its related parties (holding company/ subsidiary/ associates etc).

Companies' relationship with MOIAL

We will receive a fee in relation to the delivery of this Fairness Opinion. In addition, the Company has agreed to indemnify us in relation to our engagement in providing this Fairness Opinion. We were not requested to, and did not, provide advice concerning the structure, the share exchange ratio, or any other aspects of the Proposed Merger or to provide services other than the delivery of this Fairness Opinion. We did not participate in negotiations with respect to the terms of the Proposed Merger and any related transactions.

In the ordinary course of business, MOIAL as well as its affiliates, and their directors, officers, shareholders, employees, representatives, agents, branches, associates, advisors, successors, permitted assigns (the "**Motilal Oswal Group**") are engaged in, inter alia, providing investment banking services, securities trading, securities brokerage, and investment activities, as well as, providing investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of the Motilal Oswal Group, in relation to the Companies involved in the Proposed Merger, may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or other securities of any of these Companies, and may vote at any general meeting as they deem fit. Further, MOIAL and the Motilal Oswal Group may have, in the past few years have provided, and currently

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provide, services to the Companies or their affiliates, unrelated to the Proposed Merger, and would have received or expect to receive compensation for such services.

Distribution of the Fairness Opinion and other Limitations

The Fairness Opinion is addressed to and provided only to the Board of Directors of the Company exclusively in connection to and for the purposes of its evaluation of the fairness of the Share Exchange Ratio, from a financial point of view. The Fairness Opinion shall not otherwise be disclosed or referred to publicly or to any other third party without MOIAL's prior written consent. The Fairness Opinion shall not confer rights or remedies upon, and may not be relied upon or used by, any shareholder or other holders of securities of the Company, or by any other person, except for the Board of Directors of the Company.

However, the Company may provide a copy of the Fairness Opinion if requested / called upon by any regulatory authorities of India subject to the Company promptly intimating MOIAL in writing about receipt of such request from the regulatory authority.

This Fairness Opinion should be read in totality and not in parts. Further, this Fairness Opinion should not be used or quoted for any purpose other than the purpose mentioned hereinabove.

If this Fairness Opinion is used by any person other than to whom it is addressed or for any purpose other than the purpose stated hereinabove, then, we will not be liable for any consequences thereof and shall not take any responsibility for the same as the same would have been shared in contravention of the provisions hereof on a "non-recourse" and "non- reliance" basis. Neither this Fairness Opinion nor its contents may be referred to or quoted to/ by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. In no circumstances, will MOIAL or its management, directors, officers, employees, agents, advisors, representatives, successors, permitted assigns and controlling persons accept any responsibility or liability including any pecuniary or financial liability to any third party. The Fairness Opinion shall be governed by the laws of India, and with respect to any suit, action or any other proceedings relating to this Fairness Opinion, the courts of competent jurisdiction of India shall have exclusive jurisdiction.

Conclusion

Based on our examination of the Valuation Reports, such other information/ undertakings/ representations provided to us by the Company, and our independent analysis and evaluation of such

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information, and subject to the scope limitations as mentioned hereinabove, and to the best of our knowledge and belief, we are of the opinion that the Share Exchange Ratio is fair, from a financial point of view, for the shareholders of the Company.

For **Motilal Oswal Investment Advisors Limited**

Authorised Signatory
Name: Subodh Mallya
Designation: Senior Group Vice President

Place: Mumbai

CONFIDENTIAL

Date: February 09, 2024

To
The Board of Directors,
Rane (Madras) Limited
"Maithri", No. 132
Cathedral Road, Chennai - 600086
India

Dear Members of the Board:

1. Engagement Background

We understand that the Board of Directors of Rane (Madras) Limited ("RML" or the "Transferee Company"), Rane Engine Valve Limited ("REVL" or the "Transferor Company 1") and Rane Brake Lining Limited ("RBL" or the "Transferor Company 2") are considering an amalgamation of Transferor Company 1 and Transferor Company 2 with and into the Transferee Company. The proposed merger is to be carried out pursuant to a Scheme of Amalgamation ("Scheme") under the relevant provisions of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) as may be applicable and the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions of the regulations and guidelines issued by the SEBI from time to time.

RML, RBL and REVL are hereinafter jointly referred to as Parties. REVL and RBL are hereinafter jointly referred to as 'Transferor Companies'.

We understand from the management of RML that, pursuant to the proposed merger, the equity shareholders of REVL and RBL will be issued equity shares in RML as consideration for their respective shareholding in REVL and RBL. The terms and conditions of the proposed merger are more fully set out in Draft Scheme shared with us on 07 February 2024 ("Draft Scheme"), the final version of which will be placed before the Board of Directors of the Parties for necessary approval and will be filed by the Parties with the appropriate authorities.

We further understand that the share exchange ratio for the proposed merger has been arrived at based on the joint valuation report dated 09 February 2024 prepared by PwC Business Consulting Services LLP and M/s Bansi S. Mehta Valuers LLP (the "Valuers"), who have been jointly appointed for this exercise by RML, REVL and RBL.

Based on our perusal of the joint valuation report dated 09 February 2024 prepared by the Valuers, we understand that it has been proposed that pursuant to the amalgamation of REVL into RML, for every 20 fully paid up equity shares of the face value of INR 10 each held by the shareholders of REVL, RML shall issue and allot 9 fully paid up equity shares of the face value of INR 10 each of RML (hereinafter referred to as the "Share Exchange Ratio 1"). It has also been proposed that pursuant to the amalgamation of RBL into RML, for every 20 fully paid up equity shares of the face value of INR 10 each held by the shareholders of RBL, RML shall issue and allot 21 fully paid up equity shares of the face value of INR 10 each of RML (hereinafter referred to as the "Share Exchange Ratio 2").

Axis Capital Limited

Corporate Office :

Registered Office :

AXIS CAPITAL

Share Exchange Ratio 1 and Share Exchange Ratio 2 are hereinafter jointly referred to as Share Exchange Ratios.

In connection with the aforesaid, you have requested our opinion ("Opinion"), as of the date hereof, as to the fairness of the share exchange ratios, as proposed by the Valuers, from a financial point of view to the shareholders of RML.

II. Basis of Opinion

The rationale for the Scheme as shared with us by the RML's management is based on the amalgamating companies and the respective shareholders, employees, creditors and other stakeholders benefiting from the following advantages:

a) The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

b) Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

c) Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

d) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

e) The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

f) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

g) Optimization of support and administration functions.

h) Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

i) Improved organization capability and leadership, arising from pooling of human capital.

Some key details related to each of the aforesaid companies is as under –

REVL is a public company, limited by shares, incorporated under the Indian Companies Act, 1956 and has its registered office at "Maithri", No. 132, Cathedral Road, Chennai – 600086, India. The equity shares of REVL are listed on BSE Limited and National Stock Exchange of India Limited. REVL is engaged, inter alia, in the business of manufacturing engine valves, valve guides and tappets for various IC engine applications.

RBL is a public company, limited by shares, incorporated under the Companies Act, 1956 and has its registered office at "Maithri", No. 132, Cathedral Road, Chennai – 600086, India. The equity shares of RBL are listed on BSE Limited and National Stock Exchange of India Limited. RBL is engaged inter alia in the business of manufacturing friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks.

RML is a public company, limited by shares, incorporated under the Indian Companies Act, 1956 and has its registered office at "Maithri", No. 132, Cathedral Road, Chennai – 600086, India. The equity shares of RML are listed on BSE Limited and National Stock Exchange of India Limited ("NSE"). RML is engaged, inter alia, in the business of manufacturing steering, linkages and light metal casting products in auto components space.

The key features of the proposed merger provided to us through the Draft Scheme are as under:

1. With effect from the Appointed Date (as defined in the Draft Scheme) and upon the Scheme becoming effective, the Transferor Companies along with all its assets, liabilities, contracts, employees, licenses, records, approvals etc. being integral parts of the Transferor Companies shall stand transferred to and vest in or shall be deemed to have been transferred to and vested in the Transferee Company, as a going concern
2. As consideration for the merger of REVL and RBL into RML, RML shall issue and allot equity shares to the equity shareholders of REVL and the equity shareholders of RBL proportionate to their holding in REVL and RBL respectively
3. RML shares to be issued and allotted by RML in terms of the Scheme shall be subject to the provisions of the memorandum and articles of association of RML and shall rank *pari passu* in all respects and shall have the same rights attached to the then existing equity shares of RML
4. Upon the coming into effect of the Scheme, RBL and REVL shall stand dissolved without being wound up
5. Share Exchange Ratios are based on the joint valuation report dated 09 February 2024 submitted by the Valuers

We have relied upon the Draft Scheme shared with us and taken the abovementioned key features of the scheme (together with other facts and assumptions set forth in section III of this Opinion) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis are limited to the extent of review of documents as provided to us by RML, REVL and RBL including the joint valuation report prepared by the Valuers and the Draft Scheme.

In connection with this Opinion, we have:

(i) reviewed the Draft Scheme and the joint valuation report dated 09 February 2024 prepared by the Valuers;
(ii) reviewed certain publicly available historical and operational information with respect to each of the relevant entities available in their respective annual & interim reports and company presentations;
(iii) reviewed certain historical business and financial information relating to each of the relevant entities, as provided by the respective companies, and sought certain clarifications with respect to the same;
(iv) considered publicly available research on REVL, RBL and RML as available with us as at the date hereof;
(v) held discussions with the Valuers, in relation to the approach taken to valuation and the details of the various methodologies utilized by them in preparing the joint valuation report and recommendations;
(vi) sought various clarifications from the respective senior management teams of the relevant companies.

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(vii) reviewed historical stock prices and trading volumes of RML's, REVL's and RBL's shares on BSE & NSE; and

(viii) performed such other financial analysis and considered such other information and factors as we deemed appropriate.

We have assumed and relied upon the accuracy and completeness of all information and documents provided to us, data publicly available or otherwise reviewed by or discussed with us. We have relied upon assurances of the Parties that they are not aware of any facts or circumstances that would make such information or data incomplete, inaccurate or misleading in any material respect.

We have not carried out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of RML, REVL and RBL, and / or their subsidiaries/affiliates. In particular, we do not express any opinion as to the value of any asset of RML, REVL and RBL, and / or their subsidiaries/affiliates, whether at current time or in the future. No investigation of RML's, REVL's and RBL's claim to title of assets has been made for the purpose of the exercise and the claim to such rights has been assumed to be fully valid. No consideration has been given to liens or encumbrances against the assets. Therefore, no responsibility whatsoever is assumed for matters of a legal nature. Further, we have not evaluated the solvency or fair value of RML and / or REVL and / or RBL and / or their subsidiaries/affiliates under any law relating to bankruptcy, insolvency or similar matter.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover, in this case where equity shares of RML are being issued as consideration to the shareholders of REVL and RBL, it is not the absolute per share value that is important for framing an opinion but the relative per share value of RML vis-à-vis per share value of REVL and relative per share value of RML vis-à-vis per share value of RBL.

We have assumed, with the Transferee Company's consent, that the Scheme will be in compliance with all applicable laws and other requirements and will be implemented on the terms described in the Draft Scheme, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the Scheme, no extraordinary delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Transferee Company or the Transferor Companies and / or their relevant subsidiaries/ affiliates and their respective shareholders. We have assumed at the direction of the Transferee Company that the final scheme will not differ in any material respect from the Draft Scheme. We understand from the Transferee Company's management that the Scheme will be given effect to in totality and not in parts.

We express no view or opinion as to any terms or other aspects of the Draft Scheme (other than the Share Exchange Ratios, from a financial point of view) including, without limitation, the form or structure of the proposed transaction. We were not requested to, and we did not, participate in the negotiations for the proposed transaction. Our Opinion is limited to the fairness, from a financial point of view, of the Share Exchange Ratios proposed by the Valuers, to the shareholders of RML. Our analysis relates to the relative values of RML, REVL and RBL. However, the actual transaction value may be significantly different from the result of our analysis and would depend on several factors, including the negotiating ability and motivations of the respective entities. We express no opinion or view with respect to the financial implications of the proposed merger for any stakeholders, including creditors of the Transferee Company, the Transferor Company 1 and/or the Transferor Company 2.

We express no view as to, and our Opinion does not address, the underlying business decision of the Transferee Company to effect the proposed merger, the relative merits of the proposed merger as compared to any other alternative business strategy, the effect of the proposed merger on the Transferee Company or its affiliates, including, without limitation, possible implications on ownership structure, listing format, capital structure or trading price of RML's shares post completion of the proposed merger. The Transferee Company remain solely responsible for the commercial assumptions on the basis of which it has agreed to proceed with the proposed merger. Our Opinion is necessarily based only upon information as referred to in this letter. We have relied solely on representations, whether verbal or otherwise, made by the management of RML, REVL and RBL, for areas where the same has been made.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on RML, REVL and RBL and / or their subsidiaries/affiliates, and their respective shareholders, nor does our Opinion address any legal, tax, regulatory (including all SEBI regulations) or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, Governmental investigation, or other contingent liabilities to which the Transferee Companies, Transferor Company and/or their subsidiaries/affiliates, are/or may be a party.

Our Opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to us, as of the date hereof. It should be understood that subsequent developments may affect this Opinion and we assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

Our Opinion also does not address any matters otherwise than as expressly stated herein, including but not limited to matters such as corporate governance, shareholders' rights or any other equitable considerations. We have also not opined on the fairness of any terms and conditions of the Draft Scheme other than the fairness, from a financial point of view, of the Share Exchange Ratios proposed by the Valuers, to the shareholders of RML.

While we have provided our recommendation as to the fairness of the Share Exchange Ratios based on the information available to us and joint Valuation Report provided by the Valuers and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratios. The final responsibility for the determination of the exchange ratio at which the proposed merger shall take place will be with the Board of Directors of the respective parties who should take into account other factors such as their own assessment of the merger.

We may have in the past provided, and may currently or in the future provide, investment banking services to the Transferee Company, Transferor Company 1, Transferor Company 2 and/or their subsidiaries or their respective affiliates that are unrelated to the proposed scheme, for which services we have received or may receive customary fees. Our engagement as a fairness opinion provider is independent of our other business relationships, which we may have with the Transferee Company, Transferor Company 1, Transferor Company 2 and/or their subsidiaries or their respective affiliates. In addition, in the ordinary course of their respective businesses, affiliates of Axis Capital Limited may invest in securities of the Transferee Company, Transferor Company 1, Transferor Company 2 and / or their subsidiaries or group companies, for their own accounts and for the accounts of their customers subject to compliance of SEBI (Prohibition of Insider Trading) Regulations and, accordingly, may at any time hold a position in such securities. We will not be responsible to any other person/party for any decision. Our engagement and the Opinion expressed herein are solely for the benefit of the Board of Directors of the Transferee Company (in its capacity as such) in connection with its consideration of the proposed merger and for none other. Delivery of our Opinion does not create any fiduciary, equitable or contractual duties on Axis Capital Limited (including, without limitation, any duty of trust or confidence). It is hereby notified that any reproduction, copying or otherwise quoting of this document or any part thereof except for the purpose mentioned herein can only be done with our prior permission in writing. Further, our Opinion is being provided only for the limited purpose of complying with the SEBI regulations and the requirement of the stock exchanges on which the Company is listed

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or as required under applicable law, and for no other purpose. Neither Axis Capital Limited, nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, make any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

The Transferee Company has been provided with the opportunity to review the draft Opinion as part of our standard practice to make sure that factual inaccuracy / omissions are avoided in our final Opinion.

The fee for our services is not contingent upon the results of the proposed merger. This document is governed by and construed in accordance with the laws of India. For disputes, if any, regarding to this Opinion be conducted at Mumbai Centre for International Arbitration, in accordance with Clause 3(b) of the SEBI master circular dated December 28, 2023 bearing reference number SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 ("SEBI ODR Circular") at the option of the parties. The proceedings shall be carried out in English. The arbitral award shall be treated as final and binding on the parties hereto.

Our Opinion is not intended to and does not constitute a recommendation to any party as to how such party should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, the Share Exchange Ratios, as proposed by the Valuers, is fair to the shareholders of RML from a financial point of view.

Very truly yours,

For Axis Capital Ltd.

AXIS CAPITAL LIMITED MUMBAI

Sumit Arora,
Executive Director, Axis Capital Limited

For Axis Capital Ltd.

AXIS CAPITAL LIMITED MUMBAI

Ashish Nigam,
Executive Director, Axis Capital Limited

Varma & Varma

Chartered Accountants

INDEPENDENT AUDITORS' CERTIFICATE ON THE PROPOSED ACCOUNTING TREATMENT SPECIFIED IN THE DRAFT SCHEME OF AMALGAMATION

To
The Board of Directors,
Rane Engine Valve Limited
'Maithri', 132, Cathedral Road
Chennai – 600 086

1. This certificate is issued in accordance with the terms of our Engagement Letter with Rane Engine Valve Limited.

2. We, Varma & Varma Chartered Accountants, the Statutory Auditors of Rane Engine Valve Limited (hereinafter the "Company" or "Transferor Company"), have examined the proposed accounting treatment specified in Clause 13 'Accounting Treatment'' of Part III of the draft scheme of amalgamation as approved by the Board of Directors of the Company in their meeting dated February 9, 2024 for amalgamation between Rane Engine Valve Limited ("Transferor Company"), Rane Brake Lining Limited (Transferor Company 2) and Rane Madras Limited (Transferee Company) and their respective shareholders ("Draft Scheme") in terms of provisions of Section 230 to 232 of the Companies Act, 2013, with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with rules made thereunder other generally accepted accounting principles.

Management's Responsibility

3. The responsibility for the preparation of the Draft Scheme along with the accounting treatment and its compliance with the relevant laws and regulations, including the Applicable Accounting Standards as aforesaid is that of the Board of Directors of the companies involved in the scheme. This responsibility includes the design, implementation and maintenance of the internal control relevant to the preparation and presentation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

4. Our responsibility is to examine and report whether the proposed accounting treatment specified clause 13 in the Draft Scheme complies with the applicable Accounting standards and Other Generally Accepted Accounting Principles.

5. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. This Guidance note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

VARMA & VARMA BANGALORE CHARTERED ACCOUNTANTS

424, 4th C Main, 6th Cross, OMBR Layout, Banaswadi, Bangalore 560043
Tel : +91+80+42444999, Email: bangalore@varmaandvarma.com

Conclusion

8. Based on our examination and according to the information and explanations given to us, upon the scheme coming into effect all assets and liabilities of the transferor company shall be transferred to the transferee company and the transferor company shall stand dissolved without being wound up. Accordingly, no accounting treatment has been prescribed under the scheme in the books of the transferor company. The extract of the relevant clause of the scheme is reproduced in Annexure 1 to this certificate.

Restriction on Use

9. This Certificate is issued at the request of the Company and addressed to the Board of Directors of the Company , solely for the purpose to comply with the requirements of the SEBI Listing Regulations, 2015 for onward submission to the National Stock Exchange and BSE Ltd and National Company Law Tribunal (the "NCLT").

   This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **VARMA & VARMA**
Chartered Accountants
Firm Registration No 004532S

GEORGY MATHEW
Partner
ICAI Membership No. 209645
UDIN: 24209645BKATJU6712

Place : Bangalore
Date : February 9, 2024

VARMA & VARMA ★ CHARTERED ACCOUNTANTS ★ BANGALORE

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Annexure 1

Relevant Extract of Clause 13 of Part III of the draft scheme of amalgamation between Rane Engine Valve Limited, Rane Brake Lining Limited and Rane Madras Limited and their respective shareholders in terms of provisions of Section 230 to 232 of the Companies Act, 2013

13. ACCOUNTING TREATMENT

Amalgamation of Transferor Companies with the Transferee Company:

i. Transferor Companies will cease to exist pursuant to the Scheme coming into effect and consequently no accounting will be required in the books of Transferor Companies. Accordingly, no accounting treatment in the books of the Transferor Companies is stated in this Scheme.

For **Rane Engine Valve Limited**

Name : **V K Vijayaraghavan**

Designation : **Chief Financial Officer**

VARMA & VARMA
BANGALORE
CHARTERED ACCOUNTANTS

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st and 2nd Floor
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Chennai - 600 031, India.

Telephone +91 44 4608 3100
Fax +91 44 4608 3199

The Board of Directors
Rane Brake Lining Limited
132, Cathedral Road,
Chennai – 600086

9 February 2024

Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane Brake Lining Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013

1. This certificate is issued in accordance with the terms of our engagement letter dated 08 February 2024.

2. We have been requested by the management of Rane Brake Lining Limited ("the Company" or "Transferor Company") to issue a certificate in relation to the proposed accounting treatment specified in Clause 13(i) of the proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with the Rane (Madras) Limited ("Transferee Company") and their respective shareholders ("Proposed Scheme"), as reproduced in Annexure A to this certificate, in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.

3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company and the Transferor Company on 9 February 2024 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 1 April 2024.

4. Pursuant to approval of the Proposed Scheme, the Transferor Company will be merged with the Transferee Company as a going concern and will accordingly cease to exist. Hence, no accounting treatment shall apply for the transferor company on account of the Proposed Scheme.

Management's Responsibility

5. The preparation of the Proposed Scheme as reproduced in the Annexure A and its compliance with the relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the management of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.

6. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP
(a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane Brake Lining Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 *(Continued)*

7. The Company's management is also responsible for ensuring that the Company complies with the requirements of Companies Act, 2013 and providing all relevant information with respect to the Proposed Scheme to the NCLT.

Auditor's Responsibility

8. Pursuant to the requirements of provisions of Section 232 of the Companies Act, 2013, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in Clause 13(i) as per the proposed scheme of amalgamation and as reproduced in Annexure A to this certificate is in conformity with the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.

9. We conducted our examination of the proposed accounting treatment referred to in Clause 13(i) of the Proposed Scheme and as reproduced in Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

10. 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

11. Based on our examination and according to the information and explanations provided and representations given to us by the Management of the Transferor Company, read with paragraph 4 above, we report that no accounting treatment has been specified for the Transferor Company in Clause 13(i) to the Proposed Scheme as reproduced in Annexure A to this certificate, initialled and stamped by us for the purpose of identification only which is in accordance with applicable Accounting Standards specified under Section 133 of the Act and other generally accepted accounting principles in India.

Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane Brake Lining Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 *(Continued)*

Restriction on use

12. This certificate is issued at the request of the management of the Transferor Company solely for the purpose of onward submission to NCLT and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of Sections 230 to 232 of the Act and relevant Rules thereunder. Our certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Harsh lakhotia

Harsh Vardhan Lakhotia
Partner
Membership No. 222432
UDIN : 24222432BKGUDD9502

Place: Chennai
Date: 9 February 2024

Registered Office:
" Maithri "
132, Cathedral Road.
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane Brake Lining Limited

Annexure-A

Relevant extract of Clause 13(i) as per Draft scheme of amalgamation of Ranc Brakc Lining Limited and Rane Engine Valves Limited with Rane (Madras) Limited

Clause 13(i) – Accounting treatment

Transferor company will cease to exist pursuant to the scheme coming into effect and consequently no accounting will be required in the books of transferor company. Accordingly, no accounting treatment in the books of the transferor company is stated in the scheme.

Certified to be true copy

For **Rane Brake Lining Limited**

J. Ananth

Name: J Ananth
Designation: Chief Financial Officer

Signed for identification purposes only

BSR & Co. LLP

1

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st and 2nd Floors
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Telephone: +91 44 4608 3100
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The Board of Directors
Rane (Madras) Limited
132, Cathedral Road,
Chennai – 600086

8 March 2024

Revised Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane (Madras) Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with and into Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013

1. This certificate is issued in accordance with the terms of our engagement letter dated 31 January 2024.

2. We have been requested by the management of Rane (Madras) Limited ("the Company" or "Transferee Company") to issue a revised certificate in relation to the proposed accounting treatment specified in Clause 13 of the proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited (collectively referred to as "Transferor Companies") with the Transferee Company and their respective shareholders ("Proposed Scheme"), as reproduced in Annexure A to this revised certificate, in terms of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under ("SEBI regulations"), applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.

3. The Proposed Scheme is approved by the Board of Directors of the Transferee Company and the Transferor Companies on 9 February 2024 and is subject to approval of the respective Shareholders, the National Company Law Tribunal ("NCLT") and Statutory and Regulatory Authorities, as applicable. The appointed date for the purpose of the Proposed Scheme is 1 April 2024.

Management's Responsibility

4. The preparation of the Proposed Scheme as reproduced in the Annexure A and its compliance with the SEBI regulations, relevant provision of the Act, laws and regulations, including the applicable Ind AS read with the Rules made, issued thereunder and the Generally Accepted Accounting Principles in India is the responsibility of the management of the Companies involved, including the preparation and maintenance of all accounting and other relevant supporting records and documents.

5. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Proposed Scheme as reproduced in Annexure A and applying an appropriate basis of preparation, and making estimates that are reasonable in the circumstances.

Revised Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane (Madras) Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with and into Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 *(Continued)*

6. The Company's management is also responsible for ensuring that the Company complies with the requirements of the Act and SEBI regulations and providing all relevant information with respect to the Proposed Scheme to the NCLT.

Auditor's Responsibility

7. Pursuant to the requirements of provisions of Section 232 of the Companies Act, 2013 and SEBI regulations, our responsibility is to provide a reasonable assurance whether the proposed accounting treatment specified in Clause 13 as per the proposed scheme of amalgamation and as reproduced in Annexure A to this revised certificate is in compliance with SEBI regulations and the Ind AS prescribed under Section 133 of the Act read with the rules issued thereunder and other Generally Accepted Accounting Principles in India.

8. We conducted our examination of the proposed accounting treatment referred to in Clause 13 of the Proposed Scheme and as reproduced in Annexure A in accordance with the Guidance Note on Reports or Certificates for Special Purposes ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

9. 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

10. As per Section 232(6) of the Act, the Proposed Scheme has to provide for the appointed date from which the Proposed Scheme shall be deemed to be effective. The Company has accordingly proposed the appointed date as 1 April 2024 in the Proposed Scheme.

    Based on our examination and according to the information and explanations given to us and appropriate representations obtained from the Company, we confirm that the proposed accounting treatment referred to in Clause 13 of the Proposed Scheme and as reproduced in Annexure A to this revised certificate, initialed and stamped by us for the purpose of identification only, is in compliance with SEBI Regulations and Ind AS 103 'Business Combinations' i.e. the applicable Accounting Standards notified by the Central Government under Section 133 of the Act and other Generally Accepted Accounting Principles in India.

Revised Independent Auditor's Certificate in relation to proposed accounting treatment in the books of Rane (Madras) Limited as specified in the Proposed Scheme of Amalgamation of Rane Brake Lining Limited and Rane Engine Valve Limited with and into Rane (Madras) Limited and their respective shareholders pursuant to provisions of Sections 230 to 232 of the Companies Act, 2013 *(Continued)*

Other matters

11. We had issued a certificate dated 9 February 2024 ("Original Certificate") to the Company in relation to the proposed accounting treatment specified in Clause 13 of the Proposed Scheme, as per the requirements of the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013 ("the Act") with reference to its compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder ("SEBI regulations"), applicable Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other Generally Accepted Accounting Principles in India.

    The National Stock Exchange of India Limited, vide letter dated 4 March 2024 to the Company, and the BSE Limited on their portal raised certain observations on the Original Certificate. Consequently, a revised certificate and accompanying annexure dated 8 March 2024 is now issued addressing these observations. The Original Certificate should not be relied upon and is superseded by this revised certificate.

    Our opinion is not modified in respect of this matter.

Restriction on use

12. This revised certificate is issued at the request of the management of the Transferee Company solely for the purpose of onward submission to NCLT BSE Limited, National Stock Exchange of India Limited and any other regulatory authority in relation to the Proposed Scheme pursuant to the requirements of SEBI Regulations and Sections 230 to 232 of the Act and relevant Rules thereunder. Our revised certificate should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this revised certificate is shown or into whose hands it may come without our prior consent in writing.

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

SETHURAMAN SIVARAMAKRISHNAN

Digitally signed by SETHURAMAN SIVARAMAKRISHNAN
Date: 2024.03.08 20:06:36 +05'30'

S Sethuraman
Partner
Membership No. 203491
UDIN : 24203491BKCQOI9289

Place: Chennai
Date: 8 March 2024

PB No. 8262
Ganapathi Buildings
154, (Old No. 61) Velachery Road
Velachery
Chennai - 600 042.
CIN : L65993TN2004PLC052856

Tel : 44 - 4226 7800
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Rane (Madras) Limited

Expanding Horizons

Annexure-A

Relevant extract of 'Accounting Treatment' as per Draft scheme of amalgamation of Rane Brake Lining Limited and Rane Engine Valves Limited with Rane (Madras) Limited

Clause 13 - Accounting Treatment

Upon the Scheme becoming effective and with effect from the Appointed Date, the Transferee Company shall account for the transfer and vesting of the assets and liabilities and reserves of the Transferor Companies in its books of accounts as a common control business combination as per "Pooling of Interest Method" prescribed under the Indian Accounting Standard Ind-AS 103 - "Business Combination" notified under Section 133 of the Act read with relevant rules issued thereunder and other applicable Accounting Standards provided under the Act, specifically:

a) All the income, expenses, assets, liabilities and reserves in the books of the Transferor Companies shall stand transferred to and vested in the Transferee Company pursuant to the scheme and shall be recorded at their carrying amounts as appearing in the books of the Transferor Companies, from the earliest period presented in the financial statements i.e. the financial information in the financial statements in respect of prior periods will be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination.

b) The identity of the reserves shall be preserved and shall appear in the books of the Transferee Company in the same form in which they appeared in the books of the Transferor Companies.

c) The Transferee Company shall credit to its Share Capital Account, the aggregate face value of the shares issued by it pursuant to Clause 10 of this Scheme.

d) Upon the Scheme coming into effect, the surplus/deficit, if any, of the net value of assets, liabilities and reserves of the Transferor Companies acquired and recorded by the Transferee Company in terms of Clause 1 over the face value of the shares issued and allotted pursuant to clause 10, shall be adjusted in "Capital Reserve Account" in the financial statements of the Transferee Company.

e) The inter-company investments, loans, advances, deposits, balances unpaid dividend or other obligations between the Transferee Company and the Transferor Companies, if any appearing in the books of the Transferee Company shall get cancelled and there shall be no further obligation in that behalf.

f) The Transferee Company shall record in its books of account, all transactions of the Transferor Companies in respect of assets, liabilities, income and expenses, from Appointed Date to the Effective Date.

B S R & Co. LLP * Chartered Accountants

Registered Office : "Maithri", 132, Cathedral Road,Chennai - 600 086. Tel : 28112472 Fax : 44 - 2811 2449

Annexure-A

Relevant extract of 'Accounting Treatment' as per Draft scheme of amalgamation of Rane Brake Lining Limited and Rane Engine Valves Limited with Rane (Madras) Limited (continued)

g) In case of any differences in accounting policies between the Transferor Companies and the Transferee Company, the accounting policies followed by the Transferee Company shall prevail to ensure that the financial statements reflect the financial position based on consistent accounting policies.

h) Notwithstanding the above accounting treatment, the Board of Directors of the Transferee Company are authorized to account for any of these transactions / balances in any manner whatsoever, as may be deemed fit, in accordance with applicable Indian Accounting Standards notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and generally accepted accounting principles adopted in India.

i) Transferor companies will cease to exist pursuant to the scheme coming into effect and consequently no accounting will be required in the books of transferor companies. Accordingly, no accounting treatment in the books of the transferor companies is stated in this scheme.

Certified true copy

For **Rane (Madras) Limited**

Name : **B. Gnanasambandam**
Designation : **Chief Financial Officer**

Rane

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
URL : www.ranegroup.com

REPORT OF THE AUDIT COMMITTEE OF RANE ENGINE VALVE LIMITED ("COMPANY") AT ITS MEETING NO ACM/05/2023-24 HELD ON FRIDAY, FEBRUARY 09, 2024 RECOMMENDING 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.

Present:

S. No.	Name of Committee Members	Designation
1.	N Ramesh Rajan	Chairman
2.	L Ganesh	Member
3.	Pradip Kumar Bishnoi	Member

1. Background

1.1 A meeting of the Audit Committee of Rane Engine Valve Limited ("**Company**") was held on February 09, 2024, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation of Rane Engine Valve Limited (**"REVL" / "Transferor Company 1"**) and Rane Brake Lining Limited (**"RBL" / "Transferor Company 2" / "Company"**) with and into Rane (Madras) Limited (**"RML" / "Transferee Company"**) (together referred to as "**Participating Companies**" or "**Companies**") and their respective shareholders ("**Draft Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder.

1.2 This report of the Audit Committee is made in compliance with the requirement of the Master Circular no. SEBI/HO/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities and Exchange Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Audit Committee is required, recommending the draft Scheme, after taking into consideration, *inter alia*, the Valuation Report (*as defined below*).

1.3 The following documents were placed before the Audit Committee for its consideration:

a) draft Scheme, duly initialled by the Company Secretary of the Company for the purpose of identification.

b) Joint valuation report dated February 09, 2024 issued by M/s. PwC Business Consulting Services LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/02/2022/158 and M/s. Bansi S. Mehta Valuers LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/06/2022/172 recommending the Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("**Valuation Report**");

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c) Fairness Opinion dated February 09, 2024, prepared by M/s. Centrum Capital Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**");

d) Statutory Auditors' certificate dated February 09, 2024, confirming that the accounting treatment contained in the draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

2. Observations of Audit Committee on the Scheme

2.1 Need for the Scheme

a) The Management(s) of the Participating Companies are of the view that the amalgamation of REVL and RBL with and into RML will simplify the group structure.

b) The merged entity will benefit from economies of scale by pooling of resources, increase in product offerings thereby diversifying its revenue stream.

c) Creation of a larger listed entity further increases flexibility to raise capital for growth pursuits, both organic and inorganic.

d) Consolidation of businesses under the amalgamation would result in pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for all stakeholders that would aid unlocking intrinsic value of assets.

2.2 Rationale for the Scheme

2.2.1. Part III of the Scheme which deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

2.2.1.1. The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

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2.2.1.2. Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

2.2.1.3. Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

2.2.1.4. Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

2.2.1.5. The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

2.2.1.6. Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

2.2.1.7. Optimization of support and administration functions.

2.2.1.8. Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

2.2.1.9. Improved organization capability and leadership, arising from pooling of human capital.

2.2.2. The Management of the respective Participating Companies are of the view that this Scheme is in the best interest of the shareholders, employees, creditors and other stakeholders of the respective Participating Companies.

2.3 Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia*, recommended the Share entitlement ratio for the Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company

The Committee then noted the share entitlement ratio as under:

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a) Share entitlement ratio determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

<u>For Transferor Company 1</u>
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

<u>For Transferor Company 2</u>
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

2.4 Cost-Benefit Analysis of the Scheme

a) The amalgamation will enable wider product profile which will enhance Transferee Company's potential to garner increased share of business from OEMs through cross selling to a larger customer set and thereby creating greater value.

b) Reduction in management overlap, legal & regulatory compliances, optimization of support and administration functions would result in cost savings.

c) Consolidation of businesses under the amalgamation would result in pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for all stakeholders that would aid unlocking intrinsic value of assets

d) The Transferee Company would issue its equity shares as consideration to the shareholders of the Transferor Company 1 and Transferor Company 2 and as such there will be no cash outflow of resources from the Transferee Company. Apart from the cost of implementation of the Scheme, including payment of stamp duty, there are no additional costs involved for the proposed Scheme.

e) The proposed Scheme will also benefit the shareholders directly, as the costs incurred towards the implementation of the Scheme foreshadows the long-run benefit, to be derived by the shareholders that can be derived by achieving strategic & operational efficiency. The Audit Committee is of the opinion that the expected benefits, pursuant to the proposed Scheme, would offset the impact of such cost.

2.5 Synergies of business of the entities involved in the Scheme

a) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations.

b) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies

c) Improved organization capability and leadership, arising from pooling of human capital in areas such as engineering, R&D teams, etc. that has diverse skills, talent and vast experience

2.6 Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

a) The draft Scheme provides for the Amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee company.

b) The Appointed Date for the scheme shall be April 01, 2024, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("**NCLT**"/ "**Tribunal**"), being the date with effect from which this Scheme shall be deemed to be operative and effective.

c) The effectiveness of this Scheme is conditional upon and subject to the following:

   i) Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

   ii) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

   iii) The scheme is conditional upon approval by the public shareholders of the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

   iv) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

   v) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

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d) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India.

e) The following share entitlement ratio have been determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

<u>*For Transferor Company 1*</u>
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

<u>*For Transferor Company 2*</u>
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

f) Further, M/s. Varma & Varma, Chartered Accountants, Statutory Auditors of the Company, vide their certificate dated February 09, 2024 have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

g) Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company, and the filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

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2.7 Impact of the Scheme on the Shareholders

The Audit Committee reviewed the Valuation Report and the Fairness Opinion for determination of share entitlement ratios under the draft Scheme.

Pursuant to the scheme, shareholders of the Transferor Company 1 and Transferor Company 2 will receive equity shares in the Transferee Company in accordance with Clause 10 of the Scheme.

Further, the existing equity share capital of the Transferor Company 1 and Transferor Company 2 held by the Transferee Company (if any), shall stand cancelled in terms of the Scheme.

The Audit Committee is of the informed opinion that the draft Scheme is in the best interests of the Company and its shareholders. The impact of the draft Scheme on the shareholders, including, the public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

2.8 The Audit Committee reviewed and noted the following:

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("**MCA**") since the same is subject to the sanction of the NCLT and the provisions of Section 188 of the Act are not applicable. However, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"), the Scheme falls within the purview of the definition of Related Party Transactions. It is given to understand that the approval of the shareholders would be obtained in terms of the SEBI Master Circular on Scheme of Arrangement by Listed Entities issued on June 20, 2023.

Further, there are common promoters in the Participating Companies. Promoter and Promoter Group hold 72.65% directly or indirectly in the Transferee Company, hold 58.32% shareholding in the Transferor Company 1 and hold 70.93% shareholding in the Transferor Company 2. In terms of the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an 'arm's length basis'. The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinion. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee.

3. **Recommendations of the Audit Committee**

Taking into consideration draft Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, and other documents, as placed before the Audit Committee, and the interest of the shareholders of the Company, the Audit Committee after due deliberation, unanimously recommends the draft Scheme to the Board of the Company, Stock Exchange, SEBI and other appropriate authorities for their favourable consideration and approval.

For and on behalf of the Audit Committee of
Rane Engine Valve Limited

N. Ramesh Raj

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

N Ramesh Rajan
(Chairman of the Audit Committee Meeting)
DIN: 01628318

Date: February 09, 2024
Place: Chennai

Registered Office:
" Maithri "
132, Cathedral Road
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CIN : L63011TN2004PLC054948

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Rane Brake Lining Limited

REPORT OF THE AUDIT COMMITTEE OF RANE BRAKE LINING LIMITED ("COMPANY") AT ITS MEETING NO ACM/05/2023-24 HELD ON FRIDAY, FEBRUARY 09, 2024 RECOMMENDING 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.

Present:

S. No.	Name of Committee Members	Designation
1.	C N Srivatsan	Chairman
2.	L Ganesh	Member
3.	Ashok Malhotra	Member
4.	Brinda Jagirdar	Member

1. Background

1.1 A meeting of the Audit Committee of Rane Brake Lining Limited ("**Company**") was held on February 09, 2024, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation of Rane Engine Valve Limited (**"REVL" / "Transferor Company 1"**) and Rane Brake Lining Limited (**"RBL" / "Transferor Company 2" / "Company"**) with and into Rane (Madras) Limited (**"RML" / "Transferee Company"**) (together referred to as "**Participating Companies**" or "**Companies**") and their respective shareholders ("**Draft Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder.

1.2 This report of the Audit Committee is made in compliance with the requirement of the Master Circular no. SEBI/HO/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities and Exchange Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Audit Committee is required, recommending the draft Scheme, after taking into consideration, *inter alia*, the Valuation Report (*as defined below*).

1.3 The following documents were placed before the Audit Committee for its consideration:

a) draft Scheme, duly initialled by the Company Secretary of the Company for the purpose of identification.

b) Joint valuation report dated February 09, 2024 issued by M/s. PwC Business Consulting Services LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/02/2022/158 and M/s. Bansi S. Mehta Valuers LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/06/2022/172 recommending the Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("**Valuation Report**");

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI 600 086

c) Fairness Opinion dated February 09, 2024, prepared by M/s. Motilal Oswal Investment Advisors Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**");

d) Statutory Auditors' certificate dated February 09, 2024, confirming that the accounting treatment contained in the draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

2. Observations of Audit Committee on the Scheme

2.1 Need for the Scheme

a) The Management(s) of the Participating Companies are of the view that the amalgamation of REVL and RBL with and into RML will simplify the group structure.

b) The merged entity will benefit from economies of scale by pooling of resources, increase in product offerings thereby diversifying its revenue stream.

c) Creation of a larger listed entity further increases flexibility to raise capital for growth pursuits, both organic and inorganic.

d) Consolidation of businesses under the amalgamation would result in pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for all stakeholders that would aid unlocking intrinsic value of assets.

2.2 Rationale for the Scheme

2.2.1. Part III of the Scheme which deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

2.2.1.1. The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

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2.2.1.2. Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

2.2.1.3. Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

2.2.1.4. Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

2.2.1.5. The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

2.2.1.6. Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

2.2.1.7. Optimization of support and administration functions.

2.2.1.8. Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

2.2.1.9. Improved organization capability and leadership, arising from pooling of human capital.

2.2.2. The Management of the respective Participating Companies are of the view that this Scheme is in the best interest of the shareholders, employees, creditors and other stakeholders of the respective Participating Companies.

2.3 Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia*, recommended the Share entitlement ratio for the Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company.

The Committee then noted the share entitlement ratio as under:

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

a) Share entitlement ratio determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

2.4 Cost-Benefit Analysis of the Scheme

a) The amalgamation will enable wider product profile which will enhance Transferee Company's potential to garner increased share of business from OEMs through cross selling to a larger customer set and thereby creating greater value.

b) Reduction in management overlap, legal & regulatory compliances, optimization of support and administration functions would result in cost savings.

c) Consolidation of businesses under the amalgamation would result in pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for all stakeholders that would aid unlocking intrinsic value of assets

d) The Transferee Company would issue its equity shares as consideration to the shareholders of the Transferor Company 1 and Transferor Company 2 and as such there will be no cash outflow of resources from the Transferee Company. Apart from the cost of implementation of the Scheme, including payment of stamp duty, there are no additional costs involved for the proposed Scheme.

e) The proposed Scheme will also benefit the shareholders directly, as the costs incurred towards the implementation of the Scheme foreshadows the long-run benefit, to be derived by the shareholders that can be derived by achieving strategic & operational efficiency. The Audit Committee is of the opinion that the expected benefits, pursuant to the proposed Scheme, would offset the impact of such cost.

2.5 Synergies of business of the entities involved in the Scheme

a) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations.

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

b) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies

c) Improved organization capability and leadership, arising from pooling of human capital in areas such as engineering, R&D teams, etc. that has diverse skills, talent and vast experience

2.6 Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

a) The draft Scheme provides for the Amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company.

b) The Appointed Date for the scheme shall be April 01, 2024, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("**NCLT**"/ "**Tribunal**"), being the date with effect from which this Scheme shall be deemed to be operative and effective.

c) The effectiveness of this Scheme is conditional upon and subject to the following:

i) Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

ii) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

iii) The scheme is conditional upon approval by the public shareholders of the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

iv) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

v) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

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d) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India.

e) The following share entitlement ratio have been determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

<u>For Transferor Company 1</u>
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

<u>For Transferor Company 2</u>
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

f) Further, M/s. BSR & Co LLP, Chartered Accountants, Statutory Auditors of the Company, vide their certificate dated February 09, 2024 have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

g) Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company, and the filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

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2.7 Impact of the Scheme on the Shareholders

The Audit Committee reviewed the Valuation Report and the Fairness Opinion for determination of share entitlement ratios under the draft Scheme.

Pursuant to the scheme, shareholders of the Transferor Company 1 and Transferor Company 2 will receive equity shares in the Transferee Company in accordance with Clause 10 of the Scheme.

Further, the existing equity share capital of the Transferor Company 1 and Transferor Company 2 held by the Transferee Company (if any), shall stand cancelled in terms of the Scheme.

The Audit Committee is of the informed opinion that the draft Scheme is in the best interests of the Company and its shareholders. The impact of the draft Scheme on the shareholders, including, the public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

2.8 The Audit Committee reviewed and noted the following:

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("**MCA**") since the same is subject to the sanction of the NCLT and the provisions of Section 188 of the Act are not applicable. However, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"), the Scheme falls within the purview of the definition of Related Party Transactions. It is given to understand that the approval of the shareholders would be obtained in terms of the SEBI Master Circular on Scheme of Arrangement by Listed Entities issued on June 20, 2023.

Further, there are common promoters in the Participating Companies. Promoter and Promoter Group hold 72.65% directly or indirectly in the Transferee Company, hold 58.32% shareholding in the Transferor Company 1 and hold 70.93% shareholding in the Transferor Company 2. In terms of the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an 'arm's length basis'. The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinion. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee.

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD

3. **Recommendations of the Audit Committee**

Taking into consideration draft Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, and other documents, as placed before the Audit Committee, and the interest of the shareholders of the Company, the Audit Committee after due deliberation, unanimously recommends the draft Scheme to the Board of the Company, Stock Exchange, SEBI and other appropriate authorities for their favourable consideration and approval.

For and on behalf of the Audit Committee of
Rane Brake Lining Limited

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI 600 086

C N Srivatsan
(Chairman of the Audit Committee Meeting)
DIN: 00002194

Date: February 09, 2024
Place: Chennai

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

REPORT OF THE AUDIT COMMITTEE OF RANE (MADRAS) LIMITED ("COMPANY") AT ITS MEETING NO. ACM/05/2023-24 HELD ON FRIDAY, FEBRUARY 09, 2024 RECOMMENDING 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.

Present:

S. No.	Name of Committee Members	Designation
1.	N Ramesh Rajan	Chairman
2.	L Ganesh	Member
3.	Vasudha Sundararaman	Member
4.	Pradip Kumar Bishnoi	Member

1. Background

1.1 A meeting of the Audit Committee of Rane (Madras) Limited ("**Company**") was held on February 09, 2024, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation of Rane Engine Valve Limited (**"REVL" / "Transferor Company 1"**) and Rane Brake Lining Limited (**"RBL" / "Transferor Company 2" / "Company"**) with and into Rane (Madras) Limited (**"RML" / "Transferee Company"**) (together referred to as "**Participating Companies**" or "**Companies**") and their respective shareholders ("**Draft Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder.

1.2 This report of the Audit Committee is made in compliance with the requirement of the Master Circular no. SEBI/HO/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities and Exchange Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Audit Committee is required, recommending the draft Scheme, after taking into consideration, *inter alia*, the Valuation Report (*as defined below*).

1.3 The following documents were placed before the Audit Committee for its consideration:

a) draft Scheme, duly initialled by the Company Secretary of the Company for the purpose of identification.

b) Joint valuation report dated February 09, 2024 issued by M/s. PwC Business Consulting Services LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/02/2022/158 and M/s. Bansi S. Mehta Valuers LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/06/2022/172recommending the Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("**Valuation Report**");

c) Fairness Opinion dated February 09, 2024, prepared by M/s. Axis Capital Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**");

d) Statutory Auditors' certificate dated February 09, 2024, confirming that the accounting treatment contained in the draft Scheme is in compliance with all the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

2. Observations of Audit Committee on the Scheme

2.1. Need for the Scheme

a) The Management(s) of the Participating Companies are of the view that the amalgamation of REVL and RBL with and into RML will simplify the group structure.

b) The merged entity will benefit from economies of scale by pooling of resources, increase in product offerings thereby diversifying its revenue stream.

c) Creation of a larger listed entity further increases flexibility to raise capital for growth pursuits, both organic and inorganic.

d) Consolidation of businesses under the amalgamation would result in pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for all stakeholders that would aid unlocking intrinsic value of assets.

2.2. Rationale for the Scheme

2.2.1. Part III of the Scheme which deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

2.2.1.1. The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

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2.2.1.2. Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

2.2.1.3. Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

2.2.1.4. Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

2.2.1.5. The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

2.2.1.6. Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

2.2.1.7. Optimization of support and administration functions.

2.2.1.8. Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

2.2.1.9. Improved organization capability and leadership, arising from pooling of human capital.

2.2.2. The Management of the respective Participating Companies are of the view that this Scheme is in the best interest of the shareholders, employees, creditors and other stakeholders of the respective Participating Companies.

2.3. Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia,* recommended the Share entitlement ratio for the Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company.

The Committee then noted the share entitlement ratio as under:

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a) Share entitlement ratio determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

2.4. Cost-Benefit Analysis of the Scheme

a) The amalgamation will enable wider product profile which will enhance Transferee Company's potential to garner increased share of business from OEMs through cross selling to a larger customer set and thereby creating greater value.

b) Reduction in management overlap, legal & regulatory compliances, optimization of support and administration functions would result in cost savings.

c) Consolidation of businesses under the amalgamation would result in pooling of financial, managerial, technical and human resources, thereby creating a stronger base for future growth and value accretion for all stakeholders that would aid unlocking intrinsic value of assets

d) The Transferee Company would issue its equity shares as consideration to the shareholders of the Transferor Company 1 and Transferor Company 2 and as such there will be no cash outflow of resources from the Transferee Company. Apart from the cost of implementation of the Scheme, including payment of stamp duty, there are no additional costs involved for the proposed Scheme.

e) The proposed Scheme will also benefit the shareholders directly, as the costs incurred towards the implementation of the Scheme foreshadows the long-run benefit, to be derived by the shareholders that can be derived by achieving strategic & operational efficiency. The Audit Committee is of the opinion that the expected benefits, pursuant to the proposed Scheme, would offset the impact of such cost.

2.5. Synergies of business of the entities involved in the Scheme

a) Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations.

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b) Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

c) Improved organization capability and leadership, arising from pooling of human capital in areas such as engineering, R&D teams, etc. that has diverse skills, talent and vast experience.

2.6. Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

a) The draft Scheme provides for the Amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee company.

b) The Appointed Date for the scheme shall be 1st day of April 01, 2024, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("**NCLT**"/ "**Tribunal**"), being the date with effect from which this Scheme shall be deemed to be operative and effective.

c) The effectiveness of this Scheme is conditional upon and subject to the following:

i) Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

ii) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

iii) The scheme is conditional upon approval by the public shareholders of the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

iv) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

v) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

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d) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India.

e) The following share entitlement ratio have been determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

f) Further, M/s. BSR & Co LLP, Chartered Accountants, Statutory Auditors of the Company, vide their certificate dated February 09, 2024 have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

g) Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company, and the filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

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2.7. Impact of the Scheme on the Shareholders

The Audit Committee reviewed the Valuation Report and the Fairness Opinion for determination of share entitlement ratios under the draft Scheme.

Pursuant to the scheme, shareholders of the Transferor Company 1 and Transferor Company 2 will receive equity shares in the Transferee Company in accordance with Clause 10 of the Scheme.

Further, the existing equity share capital of the Transferor Company 1 and Transferor Company 2 held by the Transferee Company (if any), shall stand cancelled in terms of the Scheme.

The Audit Committee is of the informed opinion that the draft Scheme is in the best interests of the Company and its shareholders. The impact of the draft Scheme on the shareholders, including, the public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner. The Scheme is not in any manner prejudicial or against public interest and would serve the interest of all shareholders, creditors or any other stakeholders.

2.8. The Audit Committee reviewed and noted the following:

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("**MCA**") since the same is subject to the sanction of the NCLT and the provisions of Section 188 of the Act are not applicable. However, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"), the Scheme falls within the purview of the definition of Related Party Transactions. It is given to understand that the approval of the shareholders would be obtained in terms of the SEBI Master Circular on Scheme of Arrangement by Listed Entities issued on June 20, 2023.

Further, there are common promoters in the Participating Companies. Promoter and Promoter Group hold 72.65% directly or indirectly in the Transferee Company, hold 58.32% shareholding in the Transferor Company 1 and hold 70.93% shareholding in the Transferor Company 2. In terms of the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an 'arm's length basis'. The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinion. The aforementioned Valuation Report and Fairness Opinion have duly been considered by the Audit Committee.

3. **Recommendations of the Audit Committee**

Taking into consideration draft Scheme and its rationale and benefits, the Valuation Report, the Fairness Opinion, and other documents, as placed before the Audit Committee, and the interest of the shareholders of the Company, the Audit Committee after due deliberation, unanimously recommends the draft Scheme to the Board of the Company, Stock Exchange, SEBI and other appropriate authorities for their favourable consideration and approval.

For and on behalf of the Audit Committee of
Rane (Madras) Limited

RANE (MADRAS) LTD. * "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086 *

N Ramesh Rajan
(Chairman of the Audit Committee Meeting)
DIN: 01628318

Date: February 09, 2024
Place: Chennai

Rane

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
URL : www.ranegroup.com

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") OF RANE ENGINE VALVE LIMITED ("COMPANY") AT ITS MEETING NUMBER SMID/01/2023-24 HELD ON FRIDAY, FEBRUARY 09, 2024, RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF RANE ENGINE VALVE LIMITED AND RANE BRAKE LINING LIMITED WITH AND INTO RANE (MADRAS) LIMITED THEIR RESPECTIVE SHAREHOLDERS.

Present:

S. No.	Name of Committee Members	Designation
1.	N Ramesh Rajan	Independent Director, Chairman
2.	Pradip Kumar Bishnoi	Independent Director, Member
3.	Vasudha Sundararaman	Independent Director, Member

1. **Background**

1.1. A meeting of the Committee of Independent Directors of Rane (Madras) Limited ("**Company**") was held on February 09, 2024, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" / "Transferor Company 1") and Rane Brake Lining Limited ("RBL" / "Transferor Company 2" / "Company") with and into Rane (Madras) Limited ("RML" / "Transferee Company") (together referred to as "**Participating Companies / Companies**") and their respective shareholders ("**Draft Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder.

1.2. This report of the Committee is made in compliance with the requirement of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Committee is required, recommending the draft Scheme, after taking into consideration, *inter alia*, that the draft Scheme is not detrimental to the shareholders of the listed entity.

1.3. Following documents were placed before the Committee for its consideration:

a) the draft Scheme, duly initialled by the Company Secretary of the Company for purpose of identification;

b) Joint valuation report dated February 09, 2024 issued by M/s. PwC Business Consulting Services LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/02/2022/158 and M/s. Bansi S. Mehta Valuers LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/06/2022/172 recommending the Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("**Valuation Report**");

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI 600 086

c) fairness opinion dated February 09, 2024, prepared by M/s. Centrum Capital Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and

d) Statutory Auditors' certificate dated February 09, 2024, confirming that the accounting treatment contained in the draft Scheme is in compliance with the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

2. Observations of the Committee on the Scheme

2.1. Rationale for the Scheme

2.1.1. Part III of the Scheme which deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

2.1.1.1 The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

2.1.1.2. Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

2.1.1.3. Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

2.1.1.4. Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

2.1.1.5. The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

2.1.1.6. Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

2.1.1.7. Optimization of support and administration functions.

2.1.1.8. Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

2.1.1.9. Improved organization capability and leadership, arising from pooling of human capital.

2.1.2. The Management of the respective Participating Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Participating Companies.

2.2. Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

a) The draft Scheme provides for the Amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee company.

b) The Appointed Date for the scheme shall be April 01, 2024, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("**NCLT**"/ "**Tribunal**"), being the date with effect from which this Scheme shall be deemed to be operative and effective.

c) The effectiveness of this Scheme is conditional upon and subject to the following:

i) Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

ii) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

iii) The scheme is conditional upon approval by the public shareholders of the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

iv) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

v) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

d) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India.

e) The following share entitlement ratio have been determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

f) Further, M/s. Varma & Varma, Chartered Accountants, Statutory Auditors of the Company, vide their certificate dated February 09, 2024, have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

g) Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company, and the filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

2.3. Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia,* recommended the Share entitlement ratio for the Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company

The Committee then noted the share entitlement ratio as under:

(a) Share entitlement ratio determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

2.4. The Independent Directors Committee reviewed and noted that:

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("MCA") since the same is subject to the sanction of the NCLT, and the provisions of Section 188 of the Act are not applicable. However, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Scheme falls within the purview of the definition of Related Party Transactions. It is given to understand that the approval of the shareholders would be obtained in terms of the SEBI Master Circular on Scheme of Arrangement by Listed Entities issued on 20th June, 2023.

Further, there are common promoters in the Participating Companies. Promoter and Promoter Group hold 72.65% directly or indirectly in the Transferee Company, hold 58.32% shareholding in the Transferor Company 1 and hold 70.93% shareholding in the Transferor Company 2. In terms of the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an 'arm's length basis'. The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinions. The aforementioned Valuation Report and Fairness Opinions have duly been considered by the Audit Committee.

2.5. Scheme Not Detrimental to the Shareholders of the Company

The Committee members discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same, and the Valuation Report, the Fairness Opinions and other documents presented before the Committee, the Committee is of the informed opinion that the draft Scheme is in the best interests of the shareholders of the Company and is not detrimental to their interest, including the interest of the minority shareholders of the Company.

The shareholders of the Transferor Company 1 and Transferor Company 2 will receive equity shares in the Transferee Company in accordance with Clause 10 of the Scheme.

RANE ENGINE VALVE LIMITED "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600 086

3. **Recommendations of the Committee**

The Committee after due deliberations and due consideration of all the terms of the draft Scheme, the Valuation Report, the rationale provided above, the Fairness Opinions and the specific points mentioned above, including interest of the shareholders of the Company recommends that the draft Scheme is not detrimental to the interest of the shareholders of the Company and further recommends the draft Scheme for favourable consideration and approval by the Board, Stock Exchange, SEBI and other appropriate authorities.

This report of the Committee is made in order to comply with the requirements of the SEBI Circular after considering the necessary documents.

For and on behalf of the Committee of Independent Directors of
Rane Engine Valve Limited

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

N Ramesh Rajan
(Chairman of the Committee)
DIN: 01628318

Date: February 09, 2024
Place: Chennai

Registered Office
"Maithri"
132, Cathedral Road
Chennai 600 086
India
CIN : L63011TN2004PLC054948

Tel 91 44 2811 2472
URL www.ranegroup.com

Rane Brake Lining Limited

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") OF RANE BRAKE LINING LIMITED ("COMPANY") AT ITS MEETING NUMBER SMID/01/2023-24 HELD ON FRIDAY, FEBRUARY 09, 2024, RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF RANE ENGINE VALVE LIMITED AND RANE BRAKE LINING LIMITED WITH AND INTO RANE (MADRAS) LIMITED THEIR RESPECTIVE SHAREHOLDERS.

Present:

S. No.	Name of Committee Members	Designation
1.	C N Srivatsan	Independent Director, Chairman
2.	Ashok Malhotra	Independent Director, Member
3.	Brinda Jagirdar	Independent Director, Member

1. Background

1.1. A meeting of the Committee of Independent Directors of Rane Brake Lining Limited ("**Company**") was held on February 09, 2024, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" / "Transferor Company 1") and Rane Brake Lining Limited ("RBL" / "Transferor Company 2" / "Company") with and into Rane (Madras) Limited ("RML" / "Transferee Company") (together referred to as "**Participating Companies / Companies**") and their respective shareholders ("**Draft Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder.

1.2. This report of the Committee is made in compliance with the requirement of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Committee is required, recommending the draft Scheme, after taking into consideration, *inter alia*, that the draft Scheme is not detrimental to the shareholders of the listed entity.

1.3. Following documents were placed before the Committee for its consideration:

a) the draft Scheme, duly initialled by the Company Secretary of the Company for purpose of identification;

b) Joint valuation report dated February 09, 2024 issued by M/s. PwC Business Consulting Services LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/02/2022/158 and M/s. Bansi S. Mehta Valuers LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/06/2022/172 recommending the Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("**Valuation Report**");

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

c) fairness opinion dated February 09, 2024, prepared by M/s. Motilal Oswal Investment Advisors Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and

d) Statutory Auditors' certificate dated February 09, 2024, confirming that the accounting treatment contained in the draft Scheme is in compliance with the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

2. Observations of the Committee on the Scheme

2.1. Rationale for the Scheme

2.1.1 Part III of the Scheme which deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in best interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

2.1.1.1. The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

2.1.1.2. Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

2.1.1.3. Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

2.1.1.4. Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

2.1.1.5. The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

2.1.1.6. Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

2.1.1.7. Optimization of support and administration functions.

2.1.1.8. Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

2.1.1.9. Improved organization capability and leadership, arising from pooling of human capital.

2.1.2. The Management of the respective Participating Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Participating Companies.

2.2. Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

a) The draft Scheme provides for the Amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company.

b) The Appointed Date for the scheme shall be April 01, 2024, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("**NCLT**"/ "**Tribunal**"), being the date with effect from which this Scheme shall be deemed to be operative and effective.

c) The effectiveness of this Scheme is conditional upon and subject to the following:

i) Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

ii) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

iii) The scheme is conditional upon approval by the public shareholders of the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

iv) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

v) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

d) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India.

e) The following share entitlement ratio have been determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

<u>*For Transferor Company 1*</u>
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity share held in REVL having face value of INR 10 each fully paid up.'

<u>*For Transferor Company 2*</u>
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity share held in RBL having face value of INR 10 each fully paid up.'

f) Further, M/s. BSR & Co LLP, Chartered Accountants, Statutory Auditors of the Company, vide their certificate dated February 09, 2024, have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

g) Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company, and the filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

2.3. Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia,* recommended the Share entitlement ratio for the Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company.

The Committee then noted the share entitlement ratio as under:

a) Share entitlement ratio determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

<u>For Transferor Company 1</u>

9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity share held in REVL having face value of INR 10 each fully paid up.'

<u>For Transferor Company 2</u>
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity share held in RBL having face value of INR 10 each fully paid up.'

2.4. The Independent Directors Committee reviewed and noted that:

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("MCA") since the same is subject to the sanction of the NCLT, and the provisions of Section 188 of the Act are not applicable. However, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Scheme falls within the purview of the definition of Related Party Transactions. It is given to understand that the approval of the shareholders would be obtained in terms of the SEBI Master Circular on Scheme of Arrangement by Listed Entities issued on June 20, 2023.

Further, there are common promoters in the Participating Companies. Promoter and Promoter Group hold 72.65% directly or indirectly in the Transferee Company, hold 58.32% shareholding in the Transferor Company 1 and hold 70.93% shareholding in the Transferor Company 2. In terms of the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an 'arm's length basis'. The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinions. The aforementioned Valuation Report and Fairness Opinions have duly been considered by the Audit Committee.

2.5. Scheme Not Detrimental to the Shareholders of the Company

The Committee members discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same, and the Valuation Report, the Fairness Opinions and other documents presented before the Committee, the Committee is of the informed opinion that the draft Scheme is in the best interests of the shareholders of the Company and is not detrimental to their interest, including the interest of the minority shareholders of the Company.

The shareholders of the Transferor Company 1 and Transferor Company 2 will receive equity shares in the Transferee Company in accordance with Clause 10 of the Scheme.

3. Recommendations of the Committee

The Committee after due deliberations and due consideration of all the terms of the draft Scheme, the Valuation Report, the rationale provided above, the Fairness Opinions and the specific points mentioned above, including interest of the shareholders of the Company recommends that the draft Scheme is not detrimental to the interest of the shareholders of the Company and further recommends the draft Scheme for favourable consideration and approval by the Board, Stock Exchange, SEBI and other appropriate authorities.

This report of the Committee is made in order to comply with the requirements of the SEBI Circular after considering the necessary documents.

For and on behalf of the Committee of Independent Directors of
Rane Brake Lining Limited

C N Srivatsan
(Chairman of the Committee)
DIN: 00002194

Date: February 09, 2024
Place: Chennai

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

REPORT OF THE COMMITTEE OF INDEPENDENT DIRECTORS ("COMMITTEE") OF RANE (MADRAS) LIMITED ("COMPANY") AT ITS MEETING NUMBER SMID/01/2023-24 HELD ON FRIDAY, FEBRUARY 09, 2024, RECOMMENDING THE DRFAT SCHEME OF AMALGAMATION OF RANE ENGINE VALVE LIMITED AND RANE BRAKE LINING LIMITED WITH AND INTO RANE (MADRAS) LIMITED THEIR RESPECTIVE SHAREHOLDERS.

Present:

S. No.	Name of Committee Members	Designation
1.	Pradip Kumar Bishnoi	Independent Director, Chairman
2.	N Ramesh Rajan	Independent Director, Member
3.	Vasudha Sundararaman	Independent Director, Member

1. Background

1.1. A meeting of the Committee of Independent Directors of Rane (Madras) Limited ("**Company**") was held on February 09, 2024, to, *inter alia*, consider and if thought fit, recommend to the Board of Directors of the Company ("**Board**"), the draft Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" / "Transferor Company 1") and Rane Brake Lining Limited ("RBL" / "Transferor Company 2" / "Company") with and into Rane (Madras) Limited ("RML" / "Transferee Company") (together referred to as "**Companies**") and their respective shareholders ("**Draft Scheme**"), pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") and the rules made thereunder.

1.2. This report of the Committee is made in compliance with the requirement of the Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**"). In terms of the SEBI Circular, a report from the Committee is required, recommending the draft Scheme, after taking into consideration, *inter alia*, that the draft Scheme is not detrimental to the shareholders of the listed entity.

1.3. Following documents were placed before the Committee for its consideration:

(a) the draft Scheme, duly initialled by the Company Secretary of the Company for purpose of identification;

(b) Joint valuation report dated February 09, 2024 issued by M/s. PwC Business Consulting Services LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/02/2022/158 and M/s. Bansi S. Mehta Valuers LLP, a Registered Valuer (Securities or Financial Assets) IBBI Registration No. – IBBI/RV-E/06/2022/172 recommending the Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("**Valuation Report**");

(c) Fairness Opinion dated February 09, 2024, prepared by M/s. Axis Capital Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**"); and

(d) Statutory Auditors' certificate dated February 09, 2024, confirming that the accounting treatment contained in the draft Scheme is in compliance with the applicable accounting standards specified by the Central Government under Section 133 of the Act read with applicable rules, and/or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting principles.

2. Observations of the Committee on the Scheme

2.1. Rationale for the Scheme

2.1.1. Part III of the Scheme which deals with the Amalgamation of the Transferor Companies with and into the Transferee Company. The proposed scheme would be in interest of the Companies and their respective shareholders, employees, creditors and other stakeholders as the proposed reorganization pursuant to this Scheme is expected, inter alia, to yield advantages as set out below:

2.1.1.1. The companies to the scheme viz., the Transferor Companies and the Transferee Company are engaged in the manufacturing of auto components parts such as steering gears, braking products, engine valves, etc. and are subject to the same industry risk. Hence, consolidation of all operating businesses under a single listed entity will simplify the group structure.

2.1.1.2. Consolidation of shareholdings in a single listed entity will align interests of all the shareholder groups and allow them to participate in the growth prospects of a larger diversified auto component player.

2.1.1.3. Integration of businesses under a common unified platform will enable more coordinated and comprehensive business management with greater focus and attention.

2.1.1.4. Amalgamation will help achieve revenue and cost synergies and enhance operational, organizational and financial efficiencies from increase in scale of operations. Further, the merged entity will benefit from economies of scale by pooling resources.

2.1.1.5. The amalgamation will increase product offerings of the combined entity and will diversify its revenue stream.

2.1.1.6. Unified approach on customer engagement and service delivery, supply chain management, procurement etc. would enhance operational and financial synergies.

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2.1.1.7. Optimization of support and administration functions.

2.1.1.8. Consolidation of funds and resources would lead to improved availability of capital which could be allocated more efficiently / optimally to pursue growth opportunities under the respective businesses.

2.1.1.9. Improved organization capability and leadership, arising from pooling of human capital.

2.1.2. The Management of the respective Participating Companies are of the view that this Scheme is in the interest of the customers, employees, lenders, shareholders and all other stakeholders of the respective Participating Companies.

2.2. Salient Features of the Scheme

The Audit Committee considered and observed the following salient features in relation to the draft Scheme –

a) The draft Scheme provides for the Amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee company.

b) The Appointed Date for the scheme shall be April 01, 2024, or such other date as may be fixed or approved by the jurisdictional National Company Law Tribunal(s), ("**NCLT**"/ "**Tribunal**"), being the date with effect from which this Scheme shall be deemed to be operative and effective.

c) The effectiveness of this Scheme is conditional upon and subject to the following:

i) Receipt of approval of the Scheme by the Stock Exchanges and Securities and Exchange Board of India, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, as amended from time to time, wherever applicable.

ii) The approval by the requisite majorities of the respective members and/or creditors (where applicable) of the Transferor Companies and/or the Transferee Company, if directed by the NCLT or any other competent authority, as may be applicable.

iii) The scheme is conditional upon approval by the public shareholders of the Transferee Company through e-voting in terms of Part - I (A)(10)(a) of SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, and the scheme shall be acted upon only if vote cast by the public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by the public shareholders of the Transferee Company against it.

iv) The sanction of the Scheme by the NCLT under Sections 230 to 232 and other applicable provisions, if any, of the Act.

v) All other sanctions and approvals as may be required by law in respect of this Scheme being obtained.

RANE (MADRAS) LTD. "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

d) Upon the Scheme becoming operative on the Effective Date, with effect from the Appointed Date, amalgamation of the Transferor Company 1 and Transferor Company 2 with and into Transferee Company shall be accounted for in the books of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 and/or generally accepted accounting principles in India.

e) The following share entitlement ratio have been determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

f) Further, M/s. BSR & Co LLP, Chartered Accountants, Statutory Auditors of the Company, vide their certificate dated February 09, 2024, have confirmed that the accounting treatment as specified in the draft Scheme is in accordance with the applicable Indian Accounting Standards issued by the Institute of Chartered Accountants of India and as notified by MCA, read together with Section 133 of the Act and the Companies (Indian Accounting Standards) Rules, 2015.

g) Upon the Scheme being sanctioned by an Order made by the Tribunal under Sections 230 to 232 of the Act, the Transferor Companies shall stand dissolved without winding up on the Scheme becoming effective from the Effective Date in accordance with the Act and the relevant rules;

h) Upon the Scheme becoming operative on the Effective Date, the authorised share capital of the Transferor Companies shall stand combined with the authorised share capital of the Transferee Company, and the filing fees and stamp duty, if any, paid by the Transferor Companies on its authorised share capital shall be set off and be deemed to have been so paid by the Transferee Company on the combined authorised share capital.

2.3. Valuation Methods Evaluated for the Share Entitlement Ratios

The Committee noted that the Valuation Report, *inter-alia*, recommended the Share entitlement ratio for the Amalgamation of Transferor Company 1 and Transferor Company 2 with the Transferee Company

The Committee then noted the share entitlement ratio as under:

a) Share entitlement ratio determined as per Valuation Report for the allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (*as defined in the Scheme*), in consideration for the amalgamation:

For Transferor Company 1
9 (Nine) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in REVL having face value of INR 10 each fully paid up.'

For Transferor Company 2
21 (Twenty One) equity shares of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held in RBL having face value of INR 10 each fully paid up.'

2.4. The Independent Directors Committee reviewed and noted that:

The draft Scheme does not fall within the purview of related party transactions in terms of General Circular No. 30/2014 dated July 17, 2014, issued by the Ministry of Corporate Affairs ("MCA") since the same is subject to the sanction of the NCLT, and the provisions of Section 188 of the Act are not applicable. However, in accordance with the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the Scheme falls within the purview of the definition of Related Party Transactions. It is given to understand that the approval of the shareholders would be obtained in terms of the SEBI Master Circular on Scheme of Arrangement by Listed Entities issued on June 20, 2023.

Further, there are common promoters in the Participating Companies. Promoter and Promoter Group hold 72.65% directly or indirectly in the Transferee Company, hold 58.32% shareholding in the Transferor Company 1 and hold 70.93% shareholding in the Transferor Company 2. In terms of the Scheme, equity shares of the Transferee Company are proposed to be issued and allotted to the shareholders of the Company. In view of the aforesaid paragraph and in terms of Paragraphs 10(b)(i) and 10(b)(ii) of the SEBI Circular, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Company in favour of the Scheme are more than the number of votes cast by the public shareholders against it.

The consideration as set forth in the draft Scheme will be discharged on an 'arm's length basis'. The share entitlement ratios for the shares to be allotted pursuant to the Scheme are based on the Valuation Report and the Fairness Opinions. The aforementioned Valuation Report and Fairness Opinions have duly been considered by the Audit Committee.

2.5. Scheme Not Detrimental to the Shareholders of the Company

The Committee members discussed and deliberated upon the rationale and salient features of the Scheme. In light of the same, and the Valuation Report, the Fairness Opinions and other documents presented before the Committee, the Committee is of the informed opinion that the draft Scheme is in the interests of the shareholders of the Company and is not detrimental to their interest, including the interest of the minority shareholders of the Company.

The shareholders of the Transferor Company 1 and Transferor Company 2 will receive equity shares in the Transferee Company in accordance with Clause 10 of the Scheme.

3. Recommendations of the Committee

The Committee after due deliberations and due consideration of all the terms of the draft Scheme, the Valuation Report, the rationale provided above, the Fairness Opinions and the specific points mentioned above, including interest of the shareholders of the Company recommends that the draft Scheme is not detrimental to the interest of the shareholders of the Company and further recommends the draft Scheme for favourable consideration and approval by the Board, Stock Exchange, SEBI and other appropriate authorities.

This report of the Committee is made in order to comply with the requirements of the SEBI Circular after considering the necessary documents.

For and on behalf of the Committee of Independent Directors of
Rane (Madras) Limited

Pradip Kumar Bishnoi
(Chairman of the Committee)
DIN: 00732640

Date: February 09, 2024
Place: Chennai

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RANE ENGINE VALVE LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING NUMBER BM/05/2023-24 HELD ON FEBRUARY 09, 2024 AT THE REGISTERED OFFICE OF THE COMPANY "MAITHRI", 132, CATHEDRAL ROAD, CHENNAI – 600 086

Present:

S. No.	Name of Committee Members	Designation
1.	L Ganesh	Chairman
2.	Harish Lakshman	Director
3.	Pradip Kumar Bishnoi	Director
4.	Vasudha Sundararaman	Director
5.	Ramesh Rajan Natrajan	Director
6.	Vikram Hosangady	Director

1. The Scheme of Amalgamation of Rane Engine Valve Limited **("REVL" / "Transferor Company 1")** and Rane Brake Lining Limited **("RBL" / "Transferor Company 2" / "Company")** with and into Rane (Madras) Limited **("RML" / "Transferee Company")** amongst, their respective shareholders ("**Draft Scheme**") pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder ("**Act**"), read with sections 2(1B) and other applicable provisions of the Income-tax Act, 1961 and read together with Master Circular No. SEBI/ HO/ CFD/ POD-2/ P/CIR/ 2023/ 93 dated June 20, 2023, on scheme of arrangements by listed entities ("**SEBI Circular**"), issued by the Securities Exchange and Board of India ("**SEBI**").

2. The Scheme provides for, *inter alia*:

   (a) Amalgamation of the Rane Engine Valve Limited and Rane Brake Lining Limited with Rane (Madras) Limited;

3. The Board at its meeting held on February 09, 2024 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.

4. As per section 232(2)(c) of the Act, a report is required to be adopted by the board of directors of the Companies, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders, Directors and Key Managerial Personnel ("Directors & KMP") laying out in particular to the share exchange ratios, specifying any special valuation difficulties.

5. The following documents were placed before the Board for its consideration:

   (a) the draft of the proposed Scheme;

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

(b) Joint valuation report dated February 09, 2024 issued by M/s. Bansi S. Mehta Valuers LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/06/2022/172 M/s. PwC Business Consulting Services LLP, Registered Valuer having IBBI Registration number IBBI/RV/02/2021/14260 recommending the fair equity Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("Valuation Report");

(c) Fairness Opinion dated February 09, 2024, issued by M/s. Centrum Capital Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**");

(d) the report dated February 09, 2024 of the Committee of the Independent Directors of the Board ("**Independent Directors Report**"), recommending the Scheme, after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratios, the Fairness Opinion and that the Scheme is not detrimental to the interest of the shareholders of the Company;

(e) the report dated February 09, 2024, of the Audit Committee of the Board ("**Audit Committee**"), after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratios, the Fairness Opinion, recommending the Scheme; and

(f) the draft certificate from M/s. Varma & Varma, Chartered Accountant, the Statutory Auditor of the Company, pursuant to paragraph A(5)of Part I of the SEBI Master Circular bearing reference No. SEBI/ HO/ CFD/ POD-2/ P/ CIR/ 2023/ 93 dated June 20, 2023, certifying that the accounting treatment proposed in the Draft Scheme in Clause 13 is in compliance with the accounting standards prescribed under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles ("**Auditor's Certificate**").

6. Share Entitlement Ratio Report

Share entitlement ratios of the scheme based on Joint Valuation Report and Fairness Opinion referred to in Paragraph 5 above are as follows:

Allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (as defined in the Scheme), in consideration for the amalgamation:

For Transferor Company 1
'9 (Nine) equity share of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held having face value of INR 10 each fully paid up in REVL.'

For Transferor Company 2
'21 (Twenty-one) equity share of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held having face value of INR 10 each fully paid up in RBL.'

No special valuation difficulties were reported by the Valuer(s) and Fairness Opinion providers.

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

7. **Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company**

Board reviewed the documents placed in its meeting held on February 09, 2024, and is of the informed opinion that, based on upon the recommendations of the Audit Committee and the Committee of the Independent Directors, the Draft Scheme is in the best interests of the Company and its shareholders.

Impact of the Draft Scheme on the shareholders including promoters and public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

Promoters and Promoter Group entities of the Company holding shares in Transferor Company 1 and Transferor Company 2 would receive shares in the Transferee Company based on share swap ratio in the Scheme, in respect of their shareholding in the Transferor Companies.

8. **Effect of the Scheme on Directors / KMPs of the Company**

L Ganesh and Harish Lakshman, Directors of the Company are interested party in the Scheme, by virtue of their direct/ indirect shareholding in the Companies involved in the Scheme.

Except the above,

1) there is no impact of the Scheme on any other Director / KMPs of the Company.
2) None of the KMPs have any interest in the Draft Scheme except to the extent of shares held by them, if any, in the Companies.

9. **Effect of the Scheme on Creditors of the Company**

There is no impact of the Draft Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors.

Further, none of the creditors have any interest in the Draft Scheme except to the extent of shares held by them, if any, in any of the Companies.

As provided in the Scheme, upon the Scheme coming into effect all the liabilities of the Transferor Companies stand transferred and vested with Transferee Company.

10. **Adoption of the Report by the Board**

Board of Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

For and Behalf of the Board of Directors of
Rane Engine Valve Limited

RANE ENGINE VALVE LIMITED
"MAITHRI"
132
CATHEDRAL
ROAD
CHENNAI-600 086

L Ganesh
Chairman
DIN: 00012583

Place: Chennai
Date: February 09, 2024

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.ranegroup.com

Rane Brake Lining Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RANE BRAKE LINING LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING NUMBER BM/05/2023-24 HELD ON FEBRUARY 09, 2024 AT THE REGISTERED OFFICE OF THE COMPANY "MAITHRI", 132, CATHEDRAL ROAD, CHENNAI – 600 086

Present:

S. No.	Name of Committee Members	Designation
1.	L Ganesh	Chairman
2.	Harish Lakshman	Director
3.	C N Srivatsan	Director
4.	Ashok Malhotra	Director
5.	Brinda Jagirdar	Director
6.	Yashuji Ishii	Director (Present through VC)

1. The Scheme of Amalgamation of Rane Engine Valve Limited **("REVL" / "Transferor Company 1")** and Rane Brake Lining Limited **("RBL" / "Transferor Company 2" / "Company")** with and into Rane (Madras) Limited **("RML" / "Transferee Company")** amongst, their respective shareholders (**"Draft Scheme"**) pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder (**"Act"**), read with sections 2(1B) and other applicable provisions of the Income-tax Act, 1961 and read together with Master Circular No. SEBI/ HO/ CFD/ POD-2/ P/CIR/ 2023/ 93 dated June 20, 2023, on scheme of arrangements by listed entities (**"SEBI Circular"**), issued by the Securities Exchange and Board of India (**"SEBI"**).
2. The Scheme provides for, *inter alia*:
   (a) Amalgamation of the Rane Engine Valve Limited and Rane Brake Lining Limited with Rane (Madras) Limited;
3. The Board at its meeting held on February 09, 2024 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.
4. As per section 232(2)(c) of the Act, a report is required to be adopted by the board of directors of the Companies, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders, Directors and Key Managerial Personnel ("Directors & KMP") laying out in particular to the share exchange ratios, specifying any special valuation difficulties.
5. The following documents were placed before the Board for its consideration:
   (a) the draft of the proposed Scheme;
   (b) Joint valuation report dated February 09, 2024 issued by M/s. Bansi S. Mehta Valuers LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/06/2022/172

and M/s. PwC Business Consulting Services LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/02/2022/158 recommending the fair equity Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("Valuation Report");

(c) Fairness Opinion dated February 09, 2024, issued by M/s. Motilal Oswal Investment Advisors Limited , an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**");

(d) the report dated February 09, 2024 of the Committee of the Independent Directors of the Board ("**Independent Directors Report**"), recommending the Scheme, after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratios, the Fairness Opinion and that the Scheme is not detrimental to the interest of the shareholders of the Company;

(e) the report dated February 09, 2024, of the Audit Committee of the Board ("**Audit Committee**"), after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratios, the Fairness Opinion, recommending the Scheme; and

(f) the draft certificate from M/s. BSR & Co LLP, Chartered Accountant, the Statutory Auditor of the Company, pursuant to paragraph A(5)of Part I of the SEBI Master Circular bearing reference No. SEBI/ HO/ CFD/ POD-2/ P/ CIR/ 2023/ 93 dated June 20, 2023, certifying that the accounting treatment proposed in the Draft Scheme in Clause 13 is in compliance with the accounting standards prescribed under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles ("**Auditor's Certificate**").

6. Share Entitlement Ratio Report

Share entitlement ratios of the scheme based on Joint Valuation Report and Fairness Opinion referred to in para 5 above are as follows:

Allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (as defined in the Scheme), in consideration for the amalgamation:

For Transferor Company 1
'9 (Nine) equity share of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held having face value of INR 10 each fully paid up in REVL.'

For Transferor Company 2
'21 (Twenty-one) equity share of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held having face value of INR 10 each fully paid up in RBL.'

No special valuation difficulties were reported by the Valuer(s) and Fairness Opinion providers.

7. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

Board reviewed the documents placed in its meeting held on February 09, 2024, and is of the informed opinion that, based on the recommendations of the Audit Committee and the Committee of the Independent Directors , the Draft Scheme is in the best interests of the Company and its shareholders.

Impact of the Draft Scheme on the shareholders including promoters and public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

Promoters and Promoter Group entities of the Company holding shares in Transferor Company 1 and Transferor Company 2 would receive shares in the Transferee Company based on share swap ratio in the Scheme, in respect of their shareholding in the Transferor Companies.

8. Effect of the Scheme on Directors / KMPs of the Company

L Ganesh and Harish Lakshman, Directors of the Company are interested party in the Scheme, by virtue of their direct/ indirect shareholding in the Companies involved in the Scheme.

Except the above,

1) there is no impact of the Scheme on other Director / KMPs of the Company.

2) None of the KMPs have any interest in the Draft Scheme except to the extent of shares held by them, if any, in the Companies.

9. Effect of the Scheme on Creditors of the Company

There is no impact of the Draft Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors.

Further, none of the creditors have any interest in the Draft Scheme except to the extent of shares held by them, if any, in any of the Companies.

As provided in the Scheme, upon the Scheme coming into effect all the liabilities of the Transferor Companies stand transferred and vested with Transferee Company.

10. Adoption of the Report by the Board

Board of Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

For and on behalf of the Board of Directors of
Rane Brake Lining Limited

L Ganesh
Chairman
DIN: 00012583

Place: Chennai
Date: February 09, 2024

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RANE (MADRAS) LIMITED ("COMPANY") IN ACCORDANCE WITH SECTION 232(2)(C) OF THE COMPANIES ACT, 2013, AT ITS MEETING NUMBER BM/07/2023-24 HELD ON FEBRUARY 09, 2024 AT THE REGISTERED OFFICE OF THE COMPANY "MAITHRI", 132, CATHEDRAL ROAD, CHENNAI – 600 086

Present:

S. No.	Name of Committee Members	Designation
1.	L Ganesh	Chairman
2.	Harish Lakshman	Director
3.	Pradip Kumar Bishnoi	Director
4.	Vasudha Sundararaman	Director
5.	Ramesh Rajan Natrajan	Director
6.	Vikram Hosangady	Director

1. The Scheme of Amalgamation of Rane Engine Valve Limited (**"REVL"** / **"Transferor Company 1"**) and Rane Brake Lining Limited (**"RBL"** / **"Transferor Company 2"** / **"Company"**) with and into Rane (Madras) Limited (**"RML"** / **"Transferee Company"**) amongst, their respective shareholders (**"Draft Scheme"**) pursuant to the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder (**"Act"**), read with sections 2(1B) and other applicable provisions of the Income-tax Act, 1961 and read together with Master Circular No. SEBI/ HO/ CFD/ POD-2/ P/CIR/ 2023/ 93 dated June 20, 2023, on scheme of arrangements by listed entities (**"SEBI Circular"**), issued by the Securities Exchange and Board of India (**"SEBI"**).

2. The Scheme provides for, *inter alia*:

   (a) Amalgamation of the Rane Engine Valve Limited and Rane Brake Lining Limited with Rane (Madras) Limited;

3. The Board at its meeting held on February 09, 2024 has approved the draft Scheme, after considering the documents which were duly placed before the Board as referred hereinafter.

4. As per section 232(2)(c) of the Act, a report is required to be adopted by the board of directors of the Companies, explaining the effect of the Scheme on each class of shareholders, promoter and non-promoter shareholders, Directors and Key Managerial Personnel ("Directors & KMP") laying out in particular to the share exchange ratios, specifying any special valuation difficulties.

5. The following documents were placed before the Board for its consideration:

   (a) the draft of the proposed Scheme;

   (b) Joint valuation report dated February 09, 2024 issued by M/s. Bansi S. Mehta Valuers LLP, Registered Valuer having IBBI Registration number IBBI/RV-E/06/2022/172 M/s. PwC Business Consulting Services LLP, Registered Valuer having IBBI Registration number IBBI/RV/02/2021/14260 recommending the fair equity Share Entitlement Ratios (as defined hereunder) for the draft Scheme ("Valuation Report");

(c) Fairness Opinion dated February 09, 2024, Issued by M/s. Axis Capital Limited, an Independent SEBI registered (Category-I) Merchant Banker, confirming that the Share Entitlement Ratios in the Valuation Report are fair to the Companies and their respective shareholders and creditors ("**Fairness Opinion**");

(d) the report dated February 09, 2024 of the Committee of the Independent Directors of the Board ("**Independent Directors Report**"), recommending the Scheme, after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratios, the Fairness Opinion and that the Scheme is not detrimental to the interest of the shareholders of the Company;

(e) the report dated February 09, 2024, of the Audit Committee of the Board ("**Audit Committee**"), after taking into consideration, *inter-alia*, the Valuation Report, the Share Exchange Ratios, the Fairness Opinion, recommending the Scheme; and

(f) the draft certificate from M/s. BSR & Co LLP, Chartered Accountant, the Statutory Auditor of the Company, pursuant to paragraph A(5)of Part I of the SEBI Master Circular bearing reference No. SEBI/ HO/ CFD/ POD-2/ P/ CIR/ 2023/ 93 dated June 20, 2023, certifying that the accounting treatment proposed in the Draft Scheme in Clause 13 is in compliance with the accounting standards prescribed under Section 133 of the Act read with applicable rules and/ or the accounting standards issued by the Institute of Chartered Accountants of India and other generally accepted accounting standards and principles ("**Auditor's Certificate**").

6. Share Entitlement Ratio Report

Share entitlement ratios of the scheme based on Joint Valuation Report and Fairness Opinion referred to in para 5 above are as follows :

Allotment of equity shares of the Transferee Company, having face value of INR 10/- each to the shareholders of Transferor Company 1 and Transferor Company 2 as on the Record Date (as defined in the Scheme), in consideration for the amalgamation:

For Transferor Company 1
'9 (Nine) equity share of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held having face value of INR 10 each fully paid up in REVL.'

For Transferor Company 2

'21 (Twenty-one) equity share of RML having face value of INR 10 each fully paid up shall be issued for every 20 (Twenty) equity shares held having face value of INR 10 each fully paid up in RBL.'

No special valuation difficulties were reported by the Valuer(s) and Fairness Opinion providers.

7. Effect of the Scheme on the equity shareholders (promoter and non-promoter) of the Company

Board reviewed the documents placed in the meeting held on February 09, 2024, and is of the informed opinion that based on the recommendations of the Audit Committee and the

Committee of the Independent Directors, the Draft Scheme is in the best interests of the Company and its shareholders.

Impact of the Draft Scheme on the shareholders including promoters and public shareholders would be the same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

Promoters and Promoter Group entities of the Company holding shares in Transferor Company 1 and Transferor Company 2 would receive shares in the Transferee Company based on share swap ratio in the Scheme, in respect of and their shareholding in the Transferor Companies.

8. Effect of the Scheme on Director / KMPs of the Company

L Ganesh and Harish Lakshman, Directors of the Company are interested party in the Scheme, by virtue of their direct/ indirect shareholding in the Companies involved in the Scheme.

Except the above,

1) there is no impact of the Scheme on any other Director / KMPs of the Company.

2) None of the KMPs have any interest in the Draft Scheme except to the extent of shares held by them, if any, in the Companies.

9. Effect of the Scheme on Creditors of the Company

There is no impact of the Draft Scheme on creditors of the Company as the Scheme does not envisage any arrangement with creditors.

Further, none of the creditors have any interest in the Draft Scheme except to the extent of shares held by them, if any, in any of the Companies.

As provided in the Scheme, upon the Scheme coming into effect all the liabilities of the Transferor Companies stand transferred and vested with Transferee Company.

10. Adoption of the Report by the Board

Board of Directors of the Company have adopted this Report after noting and considering the information set forth in this Report and documents placed before the Board.

For and Behalf of the Board of Directors of
Rane (Madras) Limited

LG
3/3

L Ganesh
Chairman
DIN: 00012583

Place: Chennai
Date: February 09, 2024

DCS/AMAL/JP/R37/3259/2024-25

July 18, 2024

The Company Secretary,
RANE (MADRAS) LIMITED
Maithri, 132, Cathedral Road,
Chennai, Tamil Nadu, 600086

The Company Secretary,
RANE ENGINE VALVE LIMITED
Maithri, 132, Cathedral Road,
Chennai, Tamil Nadu, 600086

The Company Secretary,
RANE BRAKE LINING LIMITED
Maithri, 132, Cathedral Road,
Chennai, Tamil Nadu, 600086

Dear Sir,

Sub: Observation letter regarding the Scheme of Amalgamation of Rane Engine Valve Limited (REVL) and Rane Brake Lining Limited (RBL) with and into Rane (Madras) Limited (RML) and their respective shareholders

We are in receipt of the 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 and creditors ("Scheme") as required under SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/665 dated November 23, 2021 read with SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and Regulation 37, 94(2) of SEBI LODR Regulations 2015(LODR Regulations) and Section 66 of Companies Act, 2013; SEBI vide its letter dated July 16, 2024 has inter alia given the following comment(s) on the draft scheme of Amalgamation:

a. **"The proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015."**

b. **"The Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

c. **"The Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

d. **"The entities involved in the scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchange(s) without specific written consent by SEBI, except those mandated by the regulators/ authorities / tribunal."**

e. **"The Company shall ensure compliance with SEBI circulars issued from time to time. The entities involved in the Scheme shall duly comply with various provisions of the SEBI master Circular dated June 20,2023 and also ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."**

f. **"Company is advised that the information pertaining to all the unlisted companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of the schedule VI of the ICDR Regulations 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

g. "Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."

h. "Company shall ensure that the details of the proposed scheme under consideration as provided to the stock exchange shall be prominently disclosed in the notice sent to shareholders."

i. "The Companies are advised to disclose the following as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013

   i. Need for Merger, Rationale of the Scheme, Synergies of businesses of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme
   ii. Value of Assets and Liabilities of REVL and RBL that are being transferred to RML and Post-Merger Balance Sheet of RML.
   iii. Detailed reasons as to how the scheme will be beneficial to shareholders of RML.
   iv. Rationale for addition of promoters pursuant to scheme in RML.
   v. Impact of Scheme on revenue generating capacity of RML.

j. "Company is advised that new equity shares proposed to be issued as part of the "Scheme" shall mandatorily be in demat form only."

k. "Company shall ensure that the "Scheme" shall be acted upon subject to the complying with the relevant clauses mentioned in the scheme document."

l. "Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."

m. "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."

n. "Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."

o. "The listed entity involved in the proposed scheme shall disclose the No-Objection letter of the Stock Exchanges on its website within 24 hours of receiving the same."

p. "It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted company involved in the format prescribed for abridged prospectus as specified in the circular dated June 20, 2023.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Sabah Vaze

Sabah Vaze
Senior Manager

Jayanti Pradhan

Jayanti Pradhan
Assistant Manager

NSE

National Stock Exchange Of India Limited

Ref: NSE/LIST/40341/40371/40350 July 18, 2024

The Company Secretary
Rane (Madras) Limited
Maithri 132, Cathedral Road
Chennai - 600086
Kind Attn.: S Subha Shree

The Company Secretary
Rane Brake Lining Limited
Maithri-132, Cathedral Road,
Chennai-600 086
Kind Attn.: Mr. Venkatraman

The Company Secretary
Rane Engine Valve Limited
Maithri-132, Cathedral Road,
Chennai-600 086
Kind Attn.: Mr. S Anand

Dear Sir/Madam,

Sub: Observation Letter for draft Scheme of Amalgamation of Rane Engine Valve Limited ("Transferor Company-1") and Rane Brake Lining Limited ("Transferor Company-2") with and into Rane (Madras) Limited ("Transferee Company") and their respective shareholders under sections 230 - 232 of the Companies Act, 2013 and other applicable provisions and rules framed thereunder.

We are in receipt for draft Scheme of Amalgamation of Rane Engine Valve Limited ("Transferor Company-1") and Rane Brake Lining Limited ("Transferor Company-2") with and into Rane (Madras) Limited ("Transferee Company") and their respective shareholders under sections 230 - 232 of the Companies Act, 2013 and other applicable provisions and rules framed thereunder.

Based on our letter reference no. NSE/LIST/40341/40371/40350 dated May 10, 2024, submitted to SEBI pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 read with regulation 37 and 94(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI vide its letter dated July 16, 2024, has inter alia given the following comment(s) on the draft scheme of arrangement:

a) *The Companies shall ensure that the proposed composite Scheme of Amalgamation and Arrangement shall be in compliance with the provisions of Regulation 11 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

b) *The Companies shall ensure to disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated, and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the Scheme.*

c) *The Companies shall ensure that additional information, if any, submitted by the Company after filing the Scheme with the Stock Exchanges, from the date of receipt of this letter, is displayed on the websites of the listed Company and the Stock Exchanges.*

d) *The Companies involved in the proposed scheme shall not make any changes in the draft scheme subsequent to filing the draft scheme with SEBI by the Stock Exchanges, except those mandated by the regulators/ authorities / tribunal.*

e) *The Companies shall ensure compliance with the SEBI circulars issued from time to time. The Companies involved in the Scheme shall duly comply with various provisions of the SEBI Master Circular dated June 20, 2023 and also ensure that all the liabilities of Transferor Companies are transferred to the Transferee Company.*

f) *The Companies shall ensure that the information pertaining to all the Unlisted Companies involved, if any, in the scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval.*

g) *The Companies shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old.*

h) *The Companies shall ensure to disclose the following, as a part of explanatory statement or notice or proposal accompanying resolution to be passed to be forwarded by the company to the shareholders while seeking approval u/s 230 to 232 of the Companies Act 2013, so that public shareholders can make an informed decision in the matter:*

   i. *Need for the merger, Rationale of the scheme, Synergies of business of the entities involved in the scheme, Impact of the scheme on the shareholders and cost benefit analysis of the scheme.*
   ii. *Value of Assets and liabilities of REVL and RBLL that are being transferred to RML and Post- Merger Balance sheet of RML.*
   iii. *Detailed reasons as to how the scheme will be beneficial to shareholders of RML.*
   iv. *Rationale for addition of promoters pursuant to scheme in RML.*
   v. *Impact of scheme on revenue generating capacity of RML.*

i) *The Companies shall ensure that the details of the proposed scheme under consideration as provided by the Company to the Stock Exchange shall be prominently disclosed in the notice sent to the shareholders.*

j) *The Companies shall ensure that the proposed equity shares to be issued in terms of the "Scheme" shall mandatorily be in demat form only.*

k) *The Companies shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document.*

l) *The Companies shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI.*

m) *The Companies shall ensure that the observations of SEBI/ Stock Exchanges shall be incorporated in the petition to be filed before NCLT and the Company is obliged to bring the observations to the notice of NCLT.*

n) *The Companies shall ensure to comply with all the applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme.*

o) *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations.*

p) *The Companies involved in the proposed scheme shall disclose the No-objection letter of the Stock Exchanges on its website within 24 hours of receiving the same.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ Stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/representations.

Please note that the submission of documents/information, in accordance with the Circular to SEBI and National Stock Exchange of India (NSE), should not in any way be deemed or construed that the same has been cleared or approved by SEBI and NSE. SEBI and NSE does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our “No objection” in terms of Regulation 37 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines/ Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from July 18, 2024, within which the Scheme shall be submitted to NCLT.

Kindly note, this Exchange letter should not be construed as approval under any other Act /Regulation/rule/bye laws (except as referred above) for which the Company may be required to obtain approval from other department(s) of the Exchange. The Company is requested to separately take up matter with the concerned departments for approval, if any.

The Company shall ensure filing of compliance status report stating the compliance with each point of Observation Letter on draft scheme of arrangement on the following path: NEAPS > Issue > Scheme of arrangement > Reg 37 of SEBI LODR, 2015> Seeking Observation letter to Compliance Status.

Yours faithfully,
For National Stock Exchange of India Limited

Khyati Vidwans
Senior Manager

Annexure - I1

Rane

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
Fax : 044 - 2811 2449
URL : www.ranegroup.com

REVL/SE/027/2024-25

July 04, 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

BSE Scrip Code – 532988

Dear Sir / Madam,

Sub: Our application number 194889 dated February 28, 2024 under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for obtaining No-Objection Certificate towards 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, under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Ref:
1. **BSE e-mail dated July 04, 2024;**
2. Company letter no. REVL/SE/013/2024-25 dated May 07, 2024
3. Company letter no. REVL/SE/006/2024-25 dated April 23, 2024.
4. Company letter no. REVL/SE/005/2024-25 dated April 10, 2024;
5. Company letter no. REVL/SE/001/2024-25 dated April 01, 2024;
6. Company letter no. REVL/SE/68/2023-24 dated March 09, 2024; and
7. Company letter no. REVL/SE/65/2023-24 dated February 26, 2024;

This is further to our aforesaid application seeking NOC in relation to the scheme.

We enclose herewith '**Report on Complaints**' in prescribed format from March 06, 2024 (being the date on which BSE hosted on its website) up to July 04, 2024, (being date of this letter), both days inclusive.

We request you to kindly take the above on record and grant No-Objection Certificate towards the Draft Scheme.

Thanking you,

For **Rane Engine Valve Limited**

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

S Anand
Company Secretary

Encl. as above.

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
Fax : 044 - 2811 2449
URL : www.ranegroup.com

Complaints Report
(for the period from March 06, 2024 to July 04, 2024)

Date: July 04, 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges / SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

For **Rane Engine Valve Limited**

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

S Anand
Company Secretary

Annexure - I2

Rane

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
URL : www.ranegroup.com

REVL/SE/010/2024-25

May 02, 2024

To,
Manager - Listing Compliance,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: RANEENGINE

Dear Sir / Madam,

Sub: Our application number 40350 dated February 28, 2024 under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for obtaining No-Objection Certificate towards 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, under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Ref: Company letter no. REVL/SE/66/2023-24 dated February 26, 2024;
Company letter no. REVL/SE/67/2023-24 dated March 07, 2024 in response to NSE Letter dated March 04, 2024;
Company letter no. REVL/SE/70/2023-24 dated March 29, 2024 in response to NSE Letter dated March 13, 2024 and March 22, 2024;
Company letter no. REVL/SE/002/2024-25 dated April 05, 2024 in response to NSE Letter dated April 04, 2024; and
Company letter no. REVL/SE/004/2024-25 dated April 08, 2024

This is further to our aforesaid application seeking NOC in relation to the scheme.

Pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and your checklist, we enclose herewith **'Report on Complaints'** in prescribed format within 7 days of expiry of 21 days from the date of filing Draft scheme with Stock Exchanges and hosting of the Draft Scheme along with prescribed documents on the website of Stock Exchanges and the listed entity.

The scheme was filed with the NSE on February 28, 2024 & hosted by the NSE on its website on April 08, 2024 and the period of 21 days stipulated in the aforementioned Master Circular expired on April 29, 2024. Accordingly, we attach herewith "Report on Complaints" for the period from April 08, 2024 to April 29, 2024 to this letter.

We request you to kindly take the above on record and grant No-Objection Certificate towards the Draft Scheme.

Thanking you,

For **Rane Engine Valve Limited**

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

S Anand
Company Secretary

Encl. as above.

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
URL : www.ranegroup.com

ANNEXURE K

Complaints Report
(for the period from April 08, 2024 to April 29, 2024)

Date: May 02, 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges / SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

For **Rane Engine Valve Limited**

S. A.

S Anand
Company Secretary

"MAITHRI" 132 CATHEDRAL ROAD
RANE ENGINE VALVE LIMITED CHENNAI-600 086

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.ranegroup.com

Rane Brake Lining Limited

RBL/SE/033/2024-25

July 04, 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

BSE Scrip Code – 532987

Dear Sir / Madam,

Sub: Our application number 196359 dated February 29, 2024 under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for obtaining No-Objection Certificate towards 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, under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Ref:
1. **BSE e-mail dated July 04, 2024;**
2. Company letter no. RBL/SE/017/2024-25 dated May 07, 2024;
3. Company letter no. RBL/SE/006/2024-25 dated April 23, 2024;
4. Company letter no. RBL/SE/007/2024-25 dated April 23, 2024.
5. Company letter no. RBL/SE/005/2024-25 dated April 10, 2024;
6. Company letter no. RBL/SE/001/2024-25 dated April 01, 2024;
7. Company letter no. RBL/SE/56/2023-24 dated March 09, 2024; and
8. Company letter no. RBL/SE/53/2023-24 dated February 26, 2024.

This is further to our aforesaid application seeking NOC in relation to the scheme.

We enclose herewith '**Report on Complaints**' in prescribed format from March 06, 2024 (being the date on which BSE hosted on its website) up to July 04, 2024, (being date of this letter), both days inclusive.

We request you to kindly take the above on record and grant No-Objection Certificate towards the Draft Scheme.

Thanking you,

For **Rane Brake Lining Limited**

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Venkatraman
Company Secretary

Encl. as above.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.ranegroup.com

Rane Brake Lining Limited

Rane

Complaints Report
(for the period from March 06, 2024 to July 04, 2024)

Date: July 04, 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges / SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

For **Rane Brake Lining Limited**

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600086

Venkatraman
Company Secretary

Registered Office:
" Maithri "
132. Cathedral Road.
Chennai 600 086.
India.
CIN · L63011TN2004PLC054948

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane Brake Lining Limited

RBL/SE/012/2024-25

May 02, 2024

To,
Manager - Listing Compliance,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: RBL

Dear Sir / Madam,

Sub: Our application number 40371 dated February 29, 2024 under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for obtaining No-Objection Certificate towards 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, under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Ref: Company letter no. RBL/SE/54/2023-24 dated February 26, 2024;
Company letter no. RBL/SE/55/2023-24 dated March 07, 2024 in response to NSE Letter dated March 05, 2024;
Company letter no. RBL/SE/58/2023-24 dated March 29, 2024 in response to NSE Letter dated March 13, 2024 and March 22, 2024;
Company letter no. RBL/SE/002/2024-25 dated April 05, 2024 in response to NSE Letter dated April 04, 2024; and
Company letter no. RBL/SE/003/2024-25 dated April 08, 2024.

This is further to our aforesaid application seeking NOC in relation to the scheme.

Pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and your checklist, we enclose herewith '**Report on Complaints**' in prescribed format within 7 days of expiry of 21 days from the date of filing Draft scheme with Stock Exchanges and hosting of the Draft Scheme along with prescribed documents on the website of Stock Exchanges and the listed entity.

The scheme was filed with the NSE on February 29, 2024 & hosted by the NSE on its website on April 08, 2024 and the period of 21 days stipulated in the aforementioned Master Circular expired on April 29, 2024. Accordingly, we attach herewith "Report on Complaints" for the period from April 08, 2024 to April 29, 2024 to this letter.

We request you to kindly take the above on record and grant No-Objection Certificate towards the Draft Scheme.

Thanking you,

For **Rane Brake Lining Limited**

RANE BRAKE LINING LIMITED
"MAITHRI"
132
CATHEDRAL
ROAD
CHENNAI-600 086

Venkatraman
Company Secretary

Encl. as above.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane Brake Lining Limited

ANNEXURE K

Complaints Report
(for the period from April 08, 2024 to April 29, 2024)

Date: May 02, 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges / SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

For Rane Brake Lining Limited

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600086

Venkatraman
Company Secretary

Registered Office
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

RML/SE/028/2024-25

July 04, 2024

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

BSE Scrip Code – 532661

Dear Sir / Madam,

Sub: Our application number 196203 dated February 28, 2024 under Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for obtaining No-Objection Certificate towards 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, under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Ref:
1. **BSE e-mail dated July 04, 2024;**
2. Company letter no. RML/SE/021/2024-25 dated June 12, 2024;
3. Company letter no. RML/SE/010/2024-25 dated May 07, 2024;
4. Company letter no. RML/SE/006/2024-25 dated April 23, 2024;
5. Company letter no. RML/SE/005/2024-25 dated April 10, 2024;
6. Company letter no. RML/SE/001/2024-25 dated April 01, 2024;
7. Company letter no. RML/SE/71/2023-24 dated March 11, 2024; and
8. Company letter no. RML/SE/067/2023-24 dated February 26, 2024.

This is further to our aforesaid application seeking NOC in relation to the scheme.

We enclose herewith '**Report on Complaints**' in prescribed format from March 06, 2024 (being the date on which BSE hosted on its website) up to July 04, 2024, (being date of this letter), both days inclusive.

We request you to kindly take the above on record and grant No-Objection Certificate towards the Draft Scheme.

Thanking you,

For **Rane (Madras) Limited**

RANE (MADRAS) LTD. "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600086

S Subha Shree
Company Secretary

Encl. as above.

Registered Office·
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

Complaints Report
(for the period from March 06, 2024 to July 04, 2024)

Date: July 04, 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges / SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

For **Rane (Madras) Limited**

RANE (MADRAS) LTD. "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600086

S Subha Shree
Company Secretary

Annexure - I6

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

Rane

RML/SE/009/2024-25

May 02, 2024

To,
Manager - Listing Compliance,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

Symbol: RML

Dear Sir / Madam,

Sub: Our application number 40341 dated February 28, 2024 Regulation 37 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 for obtaining No-Objection Certificate towards 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, under Section 230-232 and other applicable provisions of the Companies Act, 2013 ('Scheme').

Ref: Company letter no. RML/SE/68/2023-24 dated February 26, 2024;
Company letter no. RML/SE/70/2023-24 dated March 09, 2024 in response to NSE Letter number NSE/LIST/40341 dated March 04, 2024;
Company Letter no. RML/SE/74/2023-24 dated March 28, 2024 in response to NSE Letter number NSE/LIST/40341 dated March 13, 2024 & March 15, 2024;
Company Letter no. RML/SE/002/2024-25 dated April 04, 2024 in response to NSE Letter number NSE/LIST/40341 dated April 03, 2024; and
Company Letter no. RML/SE/004/2024-25 dated April 08, 2024.

This is further to our aforesaid application seeking NOC in relation to the scheme.

Pursuant to SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 and your checklist, we enclose herewith '**Report on Complaints**' in prescribed format within 7 days of expiry of 21 days from the date of filing Draft scheme with Stock Exchanges and hosting of the Draft Scheme along with prescribed documents on the website of Stock Exchanges and the listed entity.

The scheme was filed with the NSE on February 28, 2024 & hosted by the NSE on its website on April 08, 2024 and the period of 21 days stipulated in the aforementioned Master Circular expired on April 29, 2024. Accordingly, we attach herewith "Report on Complaints" for the period from April 08, 2024 to April 29, 2024 to this letter.

We request you to kindly take the above on record and grant No-Objection Certificate towards the Draft Scheme.

Thanking you,

For **Rane (Madras) Limited**

RANE (MADRAS) LTD. "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-60

S Subha Shree
Company Secretary

Encl. as above.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

ANNEXURE K

Complaints Report
(for the period from April 08, 2024 to April 29, 2024)

Date: May 02, 2024

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	-
2.	Number of complaints forwarded by Stock Exchanges / SEBI	-
3.	Total Number of complaints/comments received (1+2)	-
4.	Number of complaints resolved	-
5.	Number of complaints pending	-

Part B

Sr. No.	Name of complainant	Date of complaint	Status
1.	Nil	Nil	Nil
2.	Nil	Nil	Nil
3.	Nil	Nil	Nil

For Rane (Madras) Limited

RANE (MADRAS) LTD. "MAITHRI" 132, CATHEDRAL ROAD CHENNAI-600086

S Subha Shree
Company Secretary

Annexure - J1

Rane

Rane Engine Valve Ltd.

Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L74999TN1972PLC006127

Tel : 044 - 2811 2472
URL : www.ranegroup.com

Compliance Report

It is hereby certified that the draft Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" or "Transferor Company 1") and Rane Brake Lining Limited ("RBL" or "Transferor Company 2") with and into Rane (Madras) Limited ("RML" or "Transferee Company") and their respective shareholders ("Draft Scheme"), does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended ("**SEBI Circular**"), including the following:

Sr. No.	Reference	Particulars	Remarks
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Yes, complied.
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Yes, complied. We confirm that the Scheme does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges.
Requirements of SEBI Circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Yes, submitted. Necessary documents have been submitted.
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Not Applicable.
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Yes, complied.
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Yes, complied.
(e)	Para (I)(A)(9)	Explanatory Statement or notice or proposal accompanying resolution sent to shareholders for seeking approval of Scheme	Yes, the company shall comply with the provision while seeking shareholders' approval.
(f)	Para (I)(A)(10)	Provision of approval of public shareholders through e-voting	Yes, the company shall comply with the provision while seeking shareholders' approval.

For **Rane Engine Valve Limited**

S Anand
Company Secretary

S Rajkumar
Manager

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

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Certified that the transactions / accounting treatment provided in the draft Scheme of Amalgamation involving Rane Engine Valve Limited, Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, are in compliance with all the Accounting Standards applicable to a listed entity.

For **Rane Engine Valve Limited**

V K Vijayaraghavan	**S Rajkumar**
Chief Financial Officer	**Manager**

RANE ENGINE VALVE LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Date: February 26 , 2024

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Annexure - J2

Registered Office.
" Maithri "
132. Cathedral Road
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.ranegroup.com

Rane Brake Lining Limited

Compliance Report

It is hereby certified that the draft Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" or "Transferor Company 1") and Rane Brake Lining Limited ("RBL" or "Transferor Company 2") with and into Rane (Madras) Limited ("RML" or "Transferee Company") and their respective shareholders ("Draft Scheme"), does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended ("**SEBI Circular**"), including the following:

Sr. No.	Reference	Particulars	Remarks
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Yes, complied.
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Yes, complied. We confirm that the Scheme does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges.
Requirements of SEBI Circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Yes, submitted. Necessary documents have been submitted.
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Not Applicable.
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Yes, complied.
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Yes, complied.
(e)	Para (I)(A)(9)	Explanatory Statement or notice or proposal accompanying resolution sent to shareholders for seeking approval of Scheme	Yes, the company shall comply with the provision while seeking shareholders' approval.
(f)	Para (I)(A)(10)	Provision of approval of public shareholders through e-voting	Yes, the company shall comply with the provision while seeking shareholders' approval.

For **Rane Brake Lining Limited**

Venkatraman
Company Secretary

R Balakrishnan
Manager

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

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Certified that the transactions / accounting treatment provided in the draft Scheme of Amalgamation involving Rane Engine Valve Limited, Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, are in compliance with all the Accounting Standards applicable to a listed entity.

For **Rane Brake Lining Limited**

J. Ananth

J Ananth
Chief Financial Officer

R Balakrishnan
Manager

Date: February 26, 2024

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

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Registered Office
" Maithri "
132 Cathedral Road,
Chennai 600 086
India
CIN : L65993TN2004PLC052856

Tel : 91 44 2811 2472
URL : www.ranegroup.com

Rane (Madras) Limited

Compliance Report

It is hereby certified that the draft Scheme of Amalgamation of Rane Engine Valve Limited ("REVL" or "Transferor Company 1") and Rane Brake Lining Limited ("RBL" or "Transferor Company 2") with and into Rane (Madras) Limited ("RML" or "Transferee Company") and their respective shareholders ("Draft Scheme"), does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**") and SEBI Master Circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 as amended ("**SEBI Circular**"), including the following:

Sr. No.	Reference	Particulars	Remarks
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements	Yes, complied.
2	Regulation 11 of LODR Regulations	Compliance with securities laws	Yes, complied. We confirm that the Scheme does not in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchanges
Requirements of SEBI Circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges	Yes, submitted. Necessary documents have been submitted
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities	Not Applicable
(c)	Para (I)(A)(4) (a)	Submission of Valuation Report	Yes, complied.
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards	Yes, complied.
(e)	Para (I)(A)(9)	Explanatory Statement or notice or proposal accompanying resolution sent to shareholders for seeking approval of Scheme	Yes, the company shall comply with the provision while seeking shareholders' approval.
(f)	Para (I)(A)(10)	Provision of approval of public shareholders through e-voting	Yes, the company shall comply with the provision while seeking shareholders' approval.

For Rane (Madras) Limited

S Subha Shree **Company Secretary**	**Gowri Kailasam** **Manager**

RANE (MADRAS) LTD. "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

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Certified that the transactions / accounting treatment provided in the draft Scheme of Amalgamation involving Rane Engine Valve Limited, Rane Brake Lining Limited with and into Rane (Madras) Limited and their respective shareholders, are in compliance with all the Accounting Standards applicable to a listed entity.

For **Rane (Madras) Limited**

B Gnanasambandam
Chief Financial Officer

Gowri Kailasam
Manager

Date: February 26, 2024

RANE (MADRAS) LTD. * "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086 *

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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	**Deferred Tax Assets** 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. 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. 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. Refer Note No 10 to the Standalone Financial Statements	Our audit procedures in this area included, among others: – 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 Rulee 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
M. No. 209645
UDIN:24209645BKATLD3558

Place : Chennai
Date : May 07, 2024

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
UDIN:24209645BKATLD3558

Place : Chennai
Date : May 07, 2024

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
M. No. 209645
UDIN:24209645BKATLD3558

Place : Chennai
Date : May 07, 2024

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

For and on behalf of the Board

Georgy Mathew
Partner
Membership No. 209645

Ganesh Lakshminarayan
Director
DIN:00012583

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Chairman
DIN:00012602

Chennai
May 07, 2024

S Rajkumar
Manager

S Anand
Company Secretary

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	Money received against share warrants	
Balance as at April 01, 2022	**6.72**	**1.34**	**-**	**132.95**	**(47.60)**	**3.75**	**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)**	**1.25**	**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)	0.00	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

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

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 contact 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 denominate in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency incase 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;

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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

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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.

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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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

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 assessees 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 March 31, 2024	As at 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 coversion of share warrants

12.5. Retained Earnings (₹ in Crores)

Particulars	As at March 31, 2024	As at 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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at 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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at 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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at 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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at 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 March 31, 2024	As at 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 March 31 2024		As at March 31 2023		As at March 31 2024		As at 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	
Material transactions during the year	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23	FY 24	FY 23
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	
Outstanding as at	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
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:

(₹ in Crores)

Particulars	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 March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at 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 it's 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 it's direct & indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility.

The Company 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 :

(₹ in Crores)

Currency	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.

(₹ in Crores)

Particulars	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:

(₹ in Crores)

Particulars	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. 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

INDEPENDENT AUDITORS' REPORT

To
The Members
Rane Brake Lining Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Rane Brake Lining Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition	
See Note 2(1) and 24 to the financial statements	
The key audit matter	How the matter was addressed in our audit
Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and the basis used to recognise revenue at a point in time. Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer. Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. Therefore, there may be a possibility for revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter, the following key audit procedures were performed by us: • Assessed the compliance of the Company's revenue recognition accounting policies with applicable accounting standards • Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. • Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping document, customer acknowledgement, dispatch notes, etc. • Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid 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 02 April 2024 and 05 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

   a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 34.a to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. The following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Year	Date of declaration of dividend	Amount outstanding in Unclaimed Dividend Account	Due date for transfer to Investor Education and Protection Fund	Actual date for transfer to Investor Education and Protection Fund
FY 2016-17	20 January 2017	INR 2.86 lakhs	27 March 2024	02 May 2024

d (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 31.3 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 31.3 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 18(c) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, except for the instances mentioned below, the company has used accounting software for maintaining its books of account which have a feature of audit trail (edit log) facility, and the same has operated throughout the year for all relevant transactions recorded in the respective software:

i. The feature of recording audit trail (edit log) was not enabled at the application layer for certain fields of tables relating to Production Inventory and Payroll.

ii. The feature of audit trail was not enabled at the application layer of the accounting software for direct data changes performed by users having privileged access.

iii. The feature of audit trail was not enabled at the database layer of the accounting software for the entire audit period.

Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

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

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:24222432BKGUDR8957

Place : Chennai
Date : **May 03, 2024**

Annexure A to the Independent Auditor's Report on the Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified once in two years. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company. However, title deeds for a part of an immovable property in nature of land and building thereon situated at Telangana (measuring 11.2 acres), with aggregate gross carrying values of INR 2.98 crores approximately, are disputed by The State of Telangana for which the Company has filed a writ petition with the Honourable High Court of Telangana and obtained an interim stay.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(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 made investments in companies and other parties (mutual funds), in respect of which the requisite information is as below. The Company has not made any investments in firms or limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has not provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company. There are no guarantees provided or security given by the Company during the year.

(c) The Company has not given any loans and advances in the nature of loan to any party during the year. Accordingly, clause (iii)(c) of the Order is not applicable to the Company.

(d) The Company has not given any loans and advances in the nature of loan to any party during the year. Accordingly, clause (iii)(d) of the Order is not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 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 on the basis of our examination of the records of the Company, statutory dues relating to Sales Tax, Service Tax, Provident Fund, Income-Tax which have not been deposited on account of any dispute is set out in Appendix I.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(f) is not applicable.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xiii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in the Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:24222432BKGUDR8957

Place : Chennai
Date : **May 03, 2024**

APPENDIX I

Nature of dues	Name of the statute	Forum where dispute is pending	Period to which the amount relates	Disputed amount (₹ in Crores)	Amount unpaid (net of amount paid under protest) (₹ in Crores)
Income Tax	Income Tax Act, 1961	High Court of Judicature, Madras	2003-04	0.05	0.05
Income Tax	Income Tax Act, 1961	Deputy Commissioner of Income Tax	2005-06	0.05	-
Income Tax	Income Tax Act, 1961	Commisioner of Income Tax (Appeals)	2005-06 and 2010-21	10.10	5.48
Income tax	Income Tax Act, 1961	Income Tax Officer	2006-07 and 2021-22	3.60	2.31
Sales tax	Central Sales Tax Act, 1956	Madras High Court, Chennai	April 2017 to June 2017	0.06	-
Service tax (including interest and penalty)	Finance Act, 1994	Customs, Excise And Service Tax Appellate Tribunal, Chennai	August 2012, April 2015 to March 2017	0.18	0.09
		Customs, Excise And Service Tax Appellate Tribunal, Hyderabad	February 2016 to June 2017	0.20	0.02
Provident fund	Provident Fund and Miscellaneous Provisions Act, 1952	Employees' Provident Fund Appellate Tribunal, New Delhi	April 2010 to September 2011	0.07	0.04

Annexure B to the Independent Auditor's Report on the Financial Statements of Rane Brake Lining Limited for the year ended March 31, 2024

Report on internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Act

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

Opinion

We have audited the internal financial controls with reference to financial statements of Rane Brake Lining Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
ICAI UDIN:24222432BKGUDR8957

Place : Chennai
Date : **May 03, 2024**

BALANCE SHEET
AS AT MARCH 31, 2024

(₹ in Crores)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	125.71	117.56
Capital work-in-progress	4	7.00	4.38
Right-of-use assets	5	0.58	0.15
Other intangible assets	6	0.65	0.51
Financial assets			
- Investments	7	1.90	1.35
- Other financial assets	8	4.29	4.04
Income tax assets	9	4.12	4.95
Other non-current assets	10	2.19	3.55
Total non-current assets		**146.44**	**136.49**
Current Assets			
Inventories	11	93.50	90.78
Financial assets			
- Investments	13	4.06	22.72
- Trade receivables	14	147.04	109.80
- Cash and cash equivalents	15	3.86	6.75
- Bank balances other than cash and cash equivalents above	16	0.41	0.36
- Other financial assets	8	0.71	0.75
Other current assets	10	4.70	6.50
Total current assets		**254.28**	**237.66**
TOTAL ASSETS		**400.72**	**374.15**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	7.73	7.73
Other equity	18	273.35	253.45
Total equity		**281.08**	**261.18**
Liabilities			
Non-Current Liabilities			
Financial liabilities			
- Lease liabilities	19	0.47	0.08
- Other financial liabilities	20	0.62	0.59
Provisions	22	4.40	3.91
Deferred tax liabilities, net	12	1.21	0.34
Other non-current liabilities	23	0.32	0.44
Total non-current liabilities		**7.02**	**5.36**
Current Liabilities			
Financial liabilities			
- Lease liabilities	19	0.16	0.11
- Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises;		19.32	15.13
Total outstanding dues of creditors other than micro enterprises and small enterprises		43.83	48.72
- Other financial liabilities	20	25.61	31.51
Other current liabilities	23	18.31	9.38
Provisions	22	5.09	2.76
Income tax liabilities	9	0.30	-
Total current liabilities		**112.62**	**107.61**
Total liabilities		**119.64**	**112.97**
TOTAL EQUITY AND LIABILITIES		**400.72**	**374.15**
Material accounting policies	2		
See accompanying notes forming part of the financial statements	2 - 42		

As per our report of even date attached

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

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Place : Chennai
Date : **May 03,2024**

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

Sl. No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenues from Operations	24	660.83	598.80
II	Other Income	25	2.14	8.27
III	**Total Income (I+II)**		**662.97**	**607.07**
IV	**Expenses :**			
	Cost of materials consumed	26	357.05	345.06
	Purchases of stock-in-trade		-	0.04
	Changes in inventories of finished goods and work-in-progress	27	5.06	(15.37)
	Employee benefits expense	28	87.22	83.50
	Finance costs	29	0.03	0.05
	Depreciation and amortisation expenses	30	21.84	20.00
	Other expenses	31	136.12	129.21
	Total expenses (IV)		**607.32**	**562.49**
V	**Profit before exceptional items and tax (III-IV)**		**55.65**	**44.58**
VI	**Exceptional item**	35	(1.22)	-
VII	**Profit before tax (V+VI)**		**54.43**	**44.58**
VIII	**Tax expense:**	33		
	- Current tax		12.92	12.19
	- Deferred tax		1.23	(1.07)
	Total tax expense (VIII)		**14.15**	**11.12**
IX	**Profit for the year (VII - VIII)**		**40.28**	**33.46**
X	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	- Re-measurement gains / (losses) on defined benefit plans, net		(1.42)	0.45
	- Income tax relating to items that will not be reclassified to profit or loss		0.36	(0.11)
	Total other comprehensive income / (loss) for the year (net of tax) (X)		**(1.06)**	**0.34**
XI	**Total comprehensive income for the year (IX+X)**		**39.22**	**33.80**
XII	**Earnings per equity share**	36		
	- Basic (In ₹)		52.11	43.29
	- Diluted (In ₹)		52.11	43.29
	Material accounting policies	2		
	See accompanying notes forming part of the financial statements	2 - 42		

As per our report of even date attached

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

for and on behalf of the Board of Directors of Rane Brake Lining Limited

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Place : Chennai
Date : **May 03,2024**

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Company Secretary

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024

(₹ in Crores)

	Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
A	**Cash flows from operating activities**			
	Profit before tax		54.43	44.58
	Adjustments for:			
	Depreciation and amortisation expenses	30	21.84	20.00
	Finance costs	29	0.03	0.05
	Mark to market loss / (gain) on derivative instruments		0.09	(0.27)
	Interest income	25	(1.22)	(0.68)
	Unrealised foreign exchange loss		-	0.04
	Loss allowance on trade receivables	31	0.03	1.24
	Liabilities no longer required written back	25	-	(6.15)
	Operating profit before working capital changes		**75.20**	**58.81**
	Working capital adjustments:			
	Decrease / (increase) in inventories		(2.72)	9.96
	Decrease / (increase) in financial assets		(37.39)	33.23
	Decrease / (increase) in other assets		2.69	(3.22)
	(Decrease) / increase in financial liabilities		(6.92)	(43.09)
	(Decrease) / increase in other liabilities and provisions		10.21	7.04
	Cash generated from operating activities		**41.07**	**62.73**
	Income tax paid, net		(11.78)	(13.39)
	Net cash generated from operating activities (A)		**29.29**	**49.34**
B	**Cash flows from investing activities**			
	Acquisition of property, plant and equipment and other intangible assets		(31.84)	(25.95)
	Proceeds from disposal of property, plant and equipment		0.00	0.00
	Redemption / (acquisition) of current investments		18.66	(22.72)
	Acquisition of non-current investments		(0.55)	-
	Interest received		1.08	0.71
	Net cash used in investing activities (B)		**(12.65)**	**(47.96)**
C	**Cash flows from financing activities**			
	Payment of lease liabilities		(0.18)	(0.13)
	Payment of dividend		(19.32)	(15.46)
	Interest paid		(0.03)	(0.05)
	Net cash used in financing activities (C)		**(19.53)**	**(15.64)**
	Net decrease in cash and cash equivalents (A+B+C)		**(2.89)**	**(14.26)**
	Cash and cash equivalents at the beginning of the year	15	6.75	21.01
	Cash and cash equivalents at the end of the year	15	**3.86**	**6.75**

The above Cash Flow Statement has been prepared under the "indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - Statement of Cash Flows'

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2024

Reconciliation between opening and closing balance sheet for liabilities arising from financing activities

Particulars	Lease liabilities
Total liabilities from financing activities	
As at April 01, 2022	**0.23**
Interest expense on lease liabilities	0.00
Payment of lease liabilities	(0.13)
New leases	0.09
As at March 31, 2023	**0.19**
Interest expense on lease liabilities	0.00
Payment of lease liabilities	(0.18)
New leases	0.62
As at March 31, 2024	**0.63**

Material accounting policies	2
See accompanying notes forming part of the financial statements	2 - 42

As per our report of even date attached

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

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Place : Chennai
Date : **May 03,2024**

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Company Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

A. Equity share capital (₹ in Crores)

Particulars	Note	Amount
Balance as at April 01, 2023	17	7.73
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2023		7.73
Changes in equity share capital during the year		-
Balance as at March 31, 2024	17	7.73
Balance as at April 01, 2022	17	7.73
Changes in equity share capital due to prior period errors		-
Restated balance as at April 01, 2022		7.73
Changes in equity share capital during the year		-
Balance as at March 31, 2023	17	7.73

B. Other equity (₹ in Crores)

Particulars	Reserves and Surplus				Total Other Equity
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 01, 2023	0.18	170.16	83.31	(0.20)	253.45
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01, 2023	0.18	170.16	83.31	(0.20)	253.45
Profit for the year	-	-	40.28	-	40.28
Other comprehensive loss for the year, net of tax	-	-	-	(1.06)	(1.06)
Total comprehensive income for the year ended March 31, 2024	-	-	40.28	(1.06)	39.22
Transactions with owners of the Company					
Contributions and distributions					
Dividends (INR 25 per share) for FY 2022-23	-	-	(19.32)	-	(19.32)
Amount transferred within reserves	-	44.44	(44.44)	-	-
Balance as at March 31, 2024	0.18	214.60	59.83	(1.26)	273.35

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2023

B. Other equity (₹ in Crores)

Particulars	Reserves and Surplus				Total Other Equity
	Capital Redemption Reserve	General Reserve	Retained Earnings	Remeasurement of defined benefit obligations	
Balance as at April 01, 2022	**0.18**	**164.36**	**71.11**	**(0.54)**	**235.11**
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at April 01, 2022	**0.18**	**164.36**	**71.11**	**(0.54)**	**235.11**
Profit for the year	-	-	33.46	-	33.46
Other comprehensive income for the year, net of tax	-	-	-	0.34	0.34
Total comprehensive income for the year ended March 31, 2023	**-**	**-**	**33.46**	**0.34**	**33.80**
Transactions with owners of the Company					
Contributions and distributions					
Dividends (INR 20 per share)	-	-	(15.46)	-	(15.46)
Amount transferred within reserves	-	5.80	(5.80)	-	-
Balance as at March 31, 2023	**0.18**	**170.16**	**83.31**	**(0.20)**	**253.45**

Material accounting policies 2

See accompanying notes forming part of the financial statements 2 - 42

As per our report of even date attached

As per our report of even date attached

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

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432

Place : Chennai
Date : **May 03,2024**

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

R Balakrishnan
Manager

J Ananth
Chief Financial Officer

Venkatraman
Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Corporate information

Rane Brake Lining Limited ("the Company") is domiciled in India, with its registered office situated at 'Maithri', No. 132, Cathedral Road, Chennai 600 086. The Company has been incorporated under the provisions of the Companies Act and its equity shares are listed on the National Stock Exchange ('NSE') and the Bombay Stock Exchange ('BSE') in India. The Company is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which have applications mainly in automobile industry.

Basis of preparation

1.1 Statement of compliance

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Details of the Company's accounting policies are included in note 2.

1.2 Functional and presentation currency

These financial statements are presented in Indian Rupees which is also the Company's functional currency. All amounts have been rounded-off to the nearest crores of Indian Rupees (INR), except share data and as otherwise stated.

1.3 Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

1.4. Use of estimates and judgments

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 2(6) and 39: Leases - whether an arrangement contains a lease;

Assumptions and estimation uncertainty

In preparing these financial statements, management has made estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may be different from these estimates.

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

- Note 2(2) and 2(3): Useful lives of property, plant and equipment and other intangible assets
- Note 2(8): Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 2(10), 2(11), 9, 22, 33 and 34.a: recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources including provision for income taxes and related contingencies
- Note 22: measurement of defined benefit obligation; key actuarial assumptions;

1.5 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in Note 41: financial instruments

1.6 Current and non-current classification

The Company classifies an asset as current asset when:

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

All other assets are classified as non-current.

A liability is classified as current when –

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

All other liabilities are classified as non-current.

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

2. Material accounting policies

These financial statements have been prepared applying material accounting policies and measurement bases summarized below.

1. Revenue from contracts with customer

The Company generates revenue primarily from manufacture and sale of automotive parts / components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Sale of products:

Revenue is recognised upon transfer of control of promised products to customer (i.e. when products are delivered to customers / carriers). Revenue is measured at the amount of transaction price of goods sold, net of variable consideration on account of various discounts and schemes offered by the Company, goods and service tax.

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

2. Property, plant and equipment

2.1 Recognition and measurement

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

Freehold land is carried at historical cost less accumulated impairment losses, if any. Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

NOTES FORMING PART OF FINANCIAL STATEMENTS

- purchase price, including import duties and non-refundable taxes on purchase (goods and service tax, value added tax), after deducting trade discounts and rebates.
- any directly attributable cost of bringing the item to its working condition for its intended use, estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

2.2 Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

2.3 Transition to Ind AS

The cost of property, plant and equipment at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

2.4 Depreciation

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

b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset or part of the asset (after considering double/triple shifts) as evaluated based on technical assessment and in accordance with Part A of Schedule II to the Companies Act, 2013.

c. The estimated useful life of the property, plant and equipment are as follows:

Asset category	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Buildings	30	30
Plant and machinery -Laboratory equipment	3	10
Plant and machinery - Others	15	15
Furniture and fixtures	5	10
Office equipment	3	5
Vehicles	5	10

d. Freehold land is not depreciated.

e. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted, if appropriate.

f. On property, plant and equipment added/ disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss.

3. Other Intangible assets

Other Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.1 Subsequent expenditure

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

3.2 Amortisation

Amortisation is calculated to write off the cost of Intangible assets less their estimated residual values over their estimated useful life of 3 years using the straight-line method and is included in depreciation and amortisation in Statement of Profit and Loss. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

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3.3 Research & development expenditure

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

3.4 Transition to Ind AS

The cost of intangible assets at April 01, 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

4. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

5. Inventories

Inventories are valued at the lower of cost and net realizable value. The cost of inventories is based on the weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

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 been 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.

6. Leases

At the inception of a contract, the Company assesses whether 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.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

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

- fixed payments, including in-substance fixed payments;

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets and lease liabilities separately on the face of the balance sheet.

Short-term leases and leases of low-value assets

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

7. Financial instruments

7.1 Initial recognition

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

A financial asset (except trade receivables without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. Trade receivables (without a significant financing component) are initially measured at transaction price as per Ind AS 115.

7.2 Classification and subsequent measurement

7.2.1 Financial assets

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

a. Amortised cost.

b. Fair value through other comprehensive Income (FVTOCI) – Debt investment

c. Fair value through other comprehensive Income (FVTOCI) – Equity investment

d. Fair value through profit and loss (FVTPL);

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

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

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

These assets are measured subsequently at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, if any and impairment are recognised in the statement of profit and loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

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

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

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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

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

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in statement of profit and loss.

Financial assets – Business model assessment

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

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

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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

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

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

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

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

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termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

7.2.2 De-recognition of financial assets

The Company derecognises a financial asset only when;

a. contractual rights to the cash flows from the financial asset expire or

b. it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or

c. in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset, the same is continued to be recognised to the extent of continuing involvement in the financial asset.

7.3 Financial Liabilities

7.3.1 Classification and subsequent measurement of financial liabilities

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

7.3.2 De-recognition

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

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

7.4 Offsetting

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

7.5 Derivative financial instruments

The Company holds derivative instruments to hedge its foreign currency risk exposure. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss.

8. Impairment

8.1 Impairment of financial instruments

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

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

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

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

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses.

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Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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

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

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

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

8.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

8.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

8.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

8.2 Impairment of non-financial assets

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

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

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

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

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

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9. Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred tax

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination, that affects neither accounting nor taxable profit or loss at the time of the transaction and that does not give rise to equal taxable and deductible temporary differences ;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets – unrecognised/ recognised, are reviewed at each reporting date and are recognised/ reduced to an extent that it is probable/ no longer probable respectively that related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

10. Employee benefits

10.1 Short term employee benefit obligations

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

10.2 Other long-term employee benefits

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. Those that are expected to be encashed after 12 months from the end of the year are treated as other long-term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

10.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset

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is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in statement of profit and loss.

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

10.4 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

11. Provisions and contingent liabilities

11.1 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

11.1.1 Provision for warranties

A provision for warranties is recognised when the underlying products are sold. The provision is based on technical evaluation and a weighing of all possible outcomes by their associated probabilities.

11.1.2 Onerous contract

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

11.2 Contingent liabilities

Whenever there is possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability are considered as contingent liability.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

11.3 Contingent assets

The Company does not recognise contingent assets. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

12. Earnings per share

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

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Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the additional dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented.

13. Cash and cash equivalents and statement of cash flows

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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

14. Segment reporting

The Company is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks which largely have applications primarily in automobile industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry.

15. Government grants

Government grants related to assets, including non-monetary grants, are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised in profit or loss as other income on a systematic basis over the useful life of the asset.

Government grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating income on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

16. Interest income

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired).

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

17. Foreign currency transactions

Transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing on date of transactions or an average rate if average rate approximates actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

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18. Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is received.

19. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. There is no such notification which would have been applicable from April 01, 2024.

Note 3 : Property, Plant and Equipment (₹ in Crores)

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
Gross carrying amount							
Balance as at April 01, 2022	**4.47**	**43.78**	**187.18**	**0.80**	**8.22**	**1.29**	**245.74**
Additions	-	3.54	18.00	0.07	2.31	-	23.92
Disposals	-	-	(0.29)	-	(0.06)	-	(0.35)
Balance as at March 31, 2023	**4.47**	**47.32**	**204.89**	**0.87**	**10.47**	**1.29**	**269.31**
Additions	-	1.97	26.15	0.07	1.35	-	**29.54**
Disposals	-	-	(0.51)	-	(0.16)	-	**(0.67)**
Balance as at March 31, 2024	**4.47**	**49.29**	**230.53**	**0.94**	**11.66**	**1.29**	**298.18**
Accumulated depreciation							
Balance as at April 01, 2022	-	**10.69**	**113.84**	**0.57**	**6.47**	**0.98**	**132.55**
Depreciation expense	-	2.03	15.67	0.11	1.65	0.09	19.55
Disposals	-	-	(0.29)	-	(0.06)	-	(0.35)
Balance as at March 31, 2023	-	**12.72**	**129.22**	**0.68**	**8.06**	**1.07**	**151.75**
Depreciation expense	-	2.08	17.56	0.13	1.49	0.08	**21.34**
Disposals	-	-	(0.46)	-	(0.16)	-	**(0.62)**
Balance as at March 31, 2024	-	**14.80**	**146.32**	**0.81**	**9.39**	**1.15**	**172.47**
Net carrying amount							
As at March 31, 2023	**4.47**	**34.60**	**75.67**	**0.19**	**2.41**	**0.22**	**117.56**
As at March 31, 2024	**4.47**	**34.49**	**84.21**	**0.13**	**2.27**	**0.14**	**125.71**

3.1. All title deeds of immovable properties are held in the name of the Company. Title deeds for a part of an immovable property in nature of land and building thereon situated at Telangana (measuring 11.2 acres), with aggregate gross carrying values of INR 2.98 approximately, are disputed by The State of Telangana for which the Company has filed a writ petition with the Honourable High Court of Telangana and obtained an interim stay.

3.2. The company has not revalued its property, plant and equipment.

3.3. Refer note 34.B for Capital commitments.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 4 : Capital Work-In-Progress (CWIP)

(₹ in Crores)

Particulars	Amount
As at April 01, 2022	3.40
Additions	3.98
Capitalised	(3.00)
As at March 31, 2023	**4.38**
Additions	5.93
Capitalised	(3.31)
As at March 31, 2024	**7.00**

Ageing schedule of CWIP balances:

As at March 31, 2024 (₹ in Crores)

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	5.93	1.07	-	-	7.00
Projects temporarily suspended	-	-	-	-	-
As at March 31, 2023					
Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	3.98	0.40	-	-	4.38
Projects temporarily suspended	-	-	-	-	-

Note: The Company doesn't have any projects whose completion is overdue or has exceeded its cost compared to its original plan and hence CWIP completion schedule is not applicable.

Note 5 : Right-of-Use Assets

(₹ in Crores)

Particulars	Vehicles
Gross carrying amount	
Balance as at April 01, 2022	**0.66**
Additions	0.09
Disposals	(0.08)
Balance as at March 31, 2023	**0.67**
Additions	0.62
Disposals	(0.22)
Balance as at March 31, 2024	**1.07**
Accumulated depreciation	
Balance as at April 01, 2022	**0.43**
Depreciation expense	0.13
Disposals	(0.04)
Balance as at March 31, 2023	**0.52**
Depreciation expense	0.18
Disposals	(0.21)
Balance as at March 31, 2024	**0.49**
Net carrying amount	
As at March 31, 2023	**0.15**
As at March 31, 2024	**0.58**

5.1. Also refer note 39 - Leases

5.2. The company has not revalued its right-of-use assets.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 6 : Other Intangible Assets

(₹ in Crores)

Particulars	Technical knowhow	Software	Total
Gross carrying amount			
Balance as at April 01, 2022	**4.07**	**1.23**	**5.30**
Additions	-	0.40	0.40
Disposals	-	(0.00)	-
Balance as at March 31, 2023	**4.07**	**1.63**	**5.70**
Additions	-	0.46	0.46
Disposals	-	-	-
Balance as at March 31, 2024	**4.07**	**2.09**	**6.16**
Accumulated amortisation			
Balance as at April 01, 2022	**4.07**	**0.80**	**4.87**
Amortisation expense	-	0.32	0.32
Disposals	-	(0.00)	-
Balance as at March 31, 2023	**4.07**	**1.12**	**5.19**
Amortisation expense	-	0.32	0.32
Disposals	-	-	-
Balance as at March 31, 2024	**4.07**	**1.44**	**5.51**
Net carrying amount			
As at March 31, 2023	**-**	**0.51**	**0.51**
As at March 31, 2024	**-**	**0.65**	**0.65**

6.1. The Company has not revalued its other intangible assets.

Note 7 : Non-Current Investments

Particulars	Face value per share	As at March 31, 2024 Number of shares	Amount (₹ in Crores)	As at March 31, 2023 Number of shares	Amount (₹ in Crores)
Unquoted investments					
Investments in equity shares carried at amortised cost					
Capsol Energy Private Limited	₹ 10	6,00,000	0.60	6,00,000	0.60
Shree MTK Textiles Private Limited	₹ 100	2,340	0.75	2,340	0.75
CWRE Wind Power Private Limited	₹ 10	379	0.00	379	0.00
Atria Wind (Kadambur) Private Limited	₹ 10	25,000	0.55	-	-
Total			**1.90**		**1.35**
Aggregate value of unquoted investments			1.90		1.35
Aggregate amount of impairment in value of investments (included in the above)			-		-

Note 8 : Other Financial Assets

(Unsecured and considered good, unless otherwise stated)

(₹ 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
Security deposits	4.29	4.04	-	-
Interest receivable	-	-	0.36	0.22
Bank deposits with more than 12 months maturity	-	-	-	0.05
Derivative assets	-	-	-	0.05
Others	-	-	0.35	0.43
Total	**4.29**	**4.04**	**0.71**	**0.75**

8.1. The Company's exposure to credit risk and market risk are disclosed in note 41

8.2. Bank deposits with more than 12 months maturity is towards Margin money with banks to the extent of INR Nil (March 31, 2023: INR 0.01)

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 9 : Income Tax Assets, Net

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Income tax assets (refer note 33)	4.12	4.95
Income tax liabilities (refer note 33)	0.30	-

Note 10 : Other Assets

(Unsecured and considered good, unless otherwise stated)

(₹ 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
Capital advances	1.69	2.16	-	-
Balance with government authorities	0.02	0.17	1.17	0.21
Advances paid to suppliers	-	-	1.12	4.67
Prepaid expenses	0.48	1.22	1.61	0.83
Travel advances	-	-	0.80	0.79
Unsecured and considered doubtful:				
Capital advances	0.20	0.20	-	-
Balance with government authorities	0.27	0.68	-	-
	2.66	**4.43**	**4.70**	**6.50**
Provision for doubtful advances	(0.47)	(0.88)	-	-
Total	**2.19**	**3.55**	**4.70**	**6.50**

Note 11 : Inventories

(Valued at lower of cost and net realisable value)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials (includes goods-in-transit of INR 4.33 (March 31, 2023 : INR 3.73)	54.79	47.85
Work-in-progress	6.82	5.80
Finished goods	26.28	32.36
Stock-in-trade	0.41	0.40
Stores and spares	5.20	4.37
Total	**93.50**	**90.78**

The cost of inventories recognised as an expense during the year is disclosed in Note 26 and 27 .

The cost of inventories recognised as an expense is disclosed in Note 27 in respect of write-down of inventory to net realisable value amounting to INR 0.84 (March 31, 2023 : INR 1.04)

Note 12 : Deferred Tax Assets / (Liabilities)

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets	6.82	7.09
Deferred tax liabilities	(8.03)	(7.43)
Deferred tax liabilities, net	**(1.21)**	**(0.34)**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Movement in temporary differences for the year ended March 31, 2024 (₹ in Crores)

Particulars	As at April 01, 2023	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2024
Deferred tax assets				
Provision for employee benefits	-	-	0.36	0.36
Loss allowance on trade receivables	1.11	(0.05)	-	1.06
Voluntary retirement scheme	0.10	(0.03)	-	0.07
Expenses allowable on payment basis	3.05	1.85	-	4.90
Others	2.83	(2.40)	-	0.43
	7.09	**(0.63)**	**0.36**	**6.82**
Deferred tax liabilities				
Property, plant and equipment and other intangible assets	(7.43)	(0.60)	-	(8.03)
	(7.43)	**(0.60)**	**-**	**(8.03)**
Net deferred tax liabilities	**(0.34)**	**(1.23)**	**0.36**	**(1.21)**

Movement in temporary differences for the year ended March 31, 2023 (₹ in Crores)

Particulars	As at April 01, 2022	Recognised in profit and loss during the year	Recognised in OCI during the year	As at March 31, 2023
Deferred tax assets				
Provision for employee benefits	-	0.11	(0.11)	-
Loss allowance on trade receivables	1.04	0.07	-	1.11
Voluntary retirement scheme	0.17	(0.07)	-	0.10
Expenses allowable on payment basis	2.62	0.43	-	3.05
Others	3.62	(0.79)	-	2.83
	7.45	**(0.25)**	**(0.11)**	**7.09**
Deferred tax liabilities				
Property, plant and equipment and other intangible assets	(8.75)	1.32	-	(7.43)
	(8.75)	**1.32**	**-**	**(7.43)**
Net deferred tax liabilities	**(1.30)**	**1.07**	**(0.11)**	**(0.34)**

Note 13 : Current Investments

Particulars	As at March 31, 2024			As at March 31, 2023		
	NAV per unit in INR	Quantity (in numbers)	Amount (₹ in Crores)	NAV per unit in INR	Quantity (in numbers)	Amount (₹ in Crores)
Unquoted investments						
Investment in mutual fund - mandatorily measured at FVTPL						
- Nippon India Liquid Fund - Growth Plan - Growth Option	5,843	6,950	4.06	5,453	24,032	13.11
- HDFC Liquid Fund - Growth plan	-	-	-	4,384	21,928	9.61
Total			**4.06**			**22.72**
Aggregate value of unquoted investments			4.06			22.72
Aggregate amount of impairment in value of investments (included in the above)			-			-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 14 : Trade Receivables (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables - considered good - secured	-	-
Trade receivables - considered good - unsecured	148.21	110.48
Trade receivables - which have significant increase in credit risk	-	-
Trade receivables - credit impaired	3.05	3.74
Loss allowance	(4.22)	(4.42)
Net trade receivables	**147.04**	**109.80**

Note 14.1 Trade receivables ageing schedule - March 31, 2024 (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	114.33	33.88	-	-	-	-	148.21
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.09	0.55	0.64	0.48	1.29	3.05
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**114.33**	**33.97**	**0.55**	**0.64**	**0.48**	**1.29**	**151.26**

Note 14.2 Trade receivables ageing schedule - March 31, 2023 (₹ in Crores)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	94.78	15.70	-	-	-	-	110.48
(ii) Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed trade receivables – credit impaired	-	0.71	0.94	0.59	0.44	1.06	3.74
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-	-
(v) Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**94.78**	**16.41**	**0.94**	**0.59**	**0.44**	**1.06**	**114.22**

Note 14.3 Movement in loss allowance on trade receivables (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
At the beginning of the year	**4.42**	**3.32**
Loss allowance for the year, net of reversals	0.03	1.24
Amount written off	(0.23)	(0.14)
At the end of the year	**4.22**	**4.42**

Note:

The Company's exposure to credit, currency risks and loss allowances related to trade receivables are disclosed in note 41. For terms and conditions relating to related party receivables, refere note 40

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 15 : Cash and Cash Equivalents (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks -		
on current accounts	3.85	6.73
Cash on hand	0.01	0.02
Total	**3.86**	**6.75**

Note 16 : Bank Balances other than Cash and Cash Equivalents above (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in earmarked accounts - Unclaimed dividend	**0.41**	**0.36**
Total	**0.41**	**0.36**

Note 17 : Equity Share Capital (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
a. Authorised share capital:		
Equity shares:		
10,000,000 (March 31, 2023: 10,000,000) equity shares of ₹ 10 each	10.00	10.00
b. Issued, subscribed and paid-up share capital:		
7,729,871 (March 31, 2023: 7,729,871) equity shares of ₹ 10 each fully paid-up	**7.73**	**7.73**

17.1 Reconciliation of shares outstanding at the beginning and at the end of the year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Amount (₹ in Crores)	Number of shares	Amount (₹ in Crores)
Equity shares of ₹ 10 each fully paid up				
At the commencement of the year	77,29,871	7.73	77,29,871	7.73
At the end of the year	77,29,871	7.73	77,29,871	7.73

Rights, preferences and restrictions attached to equity shares

The Company has one class of equity share having a par value of ₹10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting, In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

17.2. Shares held by holding Company

Name of the Shareholder	As at March 31, 2024		As at April 1, 2023	
	Number of shares held	Amount (₹ in Crores)	Number of shares held	Amount (₹ in Crores)
Rane Holdings Limited, India	38,67,440	3.87	38,67,440	3.87

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17.3 Particulars of shareholders holding more than 5 percent of equity shares in the Company

Name of the Shareholder	As at March 31, 2024		As at April 1, 2023	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Rane Holdings Limited, India	38,67,440	50.03%	38,67,440	50.03%
Nisshinbo Holdings Inc., Japan	15,95,249	20.64%	15,95,249	20.64%

17.4. Shares held by promoters at the end of the year

Promoter name	As at March 31, 2024		As at April 1, 2023		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Rane Holdings Limited, India	38,67,440	50.03%	38,67,440	50.03%	-
Nisshinbo Holdings Inc., Japan	15,95,249	20.64%	15,95,249	20.64%	-
Pushpa Lakshman & Lakshman L	50	0.00%	50	0.00%	-
Lakshman L & Pushpa Lakshman	50	0.00%	50	0.00%	-
Ganesh L & Meenakshi Ganesh	50	0.00%	50	0.00%	-
Harish Lakshman	50	0.00%	50	0.00%	-
Vinay Lakshman	50	0.00%	50	0.00%	-
Meenakshi Ganesh & Ganesh L	50	0.00%	50	0.00%	-
Malavika Lakshman & Harish Lakshman	50	0.00%	50	0.00%	-
Aparna Ganesh	50	0.00%	50	0.00%	-
Aditya Ganesh	50	0.00%	50	0.00%	-
Rekha Sundar	19,400	0.25%	19,400	0.25%	-

Promoter name	As at March 31, 2023		As at April 1, 2022		% change during the year
	Number of shares held	% of total shares	Number of shares held	% of total shares	
Rane Holdings Limited, India	38,67,440	50.03%	38,67,440	50.03%	-
Nisshinbo Holdings Inc., Japan	15,95,249	20.64%	15,95,249	20.64%	-
Pushpa Lakshman & Lakshman L	50	0.00%	50	0.00%	-
Lakshman L & Pushpa Lakshman	50	0.00%	50	0.00%	-
Ganesh L & Meenakshi Ganesh	50	0.00%	50	0.00%	-
Harish Lakshman	50	0.00%	50	0.00%	-
Vinay Lakshman	50	0.00%	50	0.00%	-
Meenakshi Ganesh & Ganesh L	50	0.00%	50	0.00%	-
Malavika Lakshman & Harish Lakshman	50	0.00%	50	0.00%	-
Aparna Ganesh	50	0.00%	50	0.00%	-
Aditya Ganesh	50	0.00%	50	0.00%	-
Rekha Sundar	19,400	0.25%	19,400	0.25%	-

17.5. Information regarding issue of shares in the last five years

The Board of Directors at its meeting held on October 15, 2020, approved a proposal to buy-back upto 266,667 number of equity shares of the Company for an aggregate amount not exceeding INR 22 Crores, being less than 10% of total paid up equity share capital and free reserves as on March 31, 2020 at ₹ 825/- per equity share. The buy back was from the open market through the stock exchanges. The Company bought back 185,109 number of equity shares out of the shares that were tendered by eligible shareholders and extinguished during the immediately preceeding five years. The Company has not issued any shares without payment being received in cash / any bonus shares during the immediately preceeding five years.

17.6. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and equity reserves attributable to the equity holders of the Company. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and its capital requirements. 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 maximise shareholder

NOTES FORMING PART OF FINANCIAL STATEMENTS

value. There are no externally imposed capital requirements. In order to maintain / achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

Note 18 : Other Equity

a. General reserve

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act, 2013 and rules made thereunder.

b. Capital redemption reserve

The Companies Act, 2013 requires that where a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to buy-back of equity shares in FY 2020-21 and FY 2021-22.

c. Retained earnings

Retained earnings represents profits generated and retained by the Company post distribution of dividends to the equity shareholders in the respective years. The balance in retained earnings can be utilized for distribution of dividend by the Company considering the requirements of the Companies Act, 2013.

In respect of the year ended March 31, 2024, the directors proposed a dividend of INR 30 per share be paid to all holders of fully paid equity shares. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The total estimated equity dividend to be paid is INR 23.19.

d. Remeasurement of defined benefit obligations

Remeasurement of defined benefit obligations comprises of actuarial gain or losses and return on plan assets (excluding interest income).

Also refer Statement of changes in equity.

Note 19 : Lease 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
Lease liabilities (refer note 39)	0.47	0.08	0.16	0.11

Note 20 : Other Financial 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
Employee benefits payable	-	-	8.39	15.69
Commission payable to key management personnel	-	-	1.12	0.95
Unclaimed dividend	-	-	0.41	0.36
Capital creditors	-	-	2.33	2.07
Security deposits	0.62	0.59	-	-
Derivative liabilities	-	-	0.04	-
Others	-	-	13.32	12.44
Total	**0.62**	**0.59**	**25.61**	**31.51**

Note 20.1 : The Company's exposure to credit and liquidity risk related to other financial liabilities are disclosed in note 41

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Note 21 : Trade Payables (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro enterprises and small enterprises	19.32	15.13
Total outstanding dues of creditors other than micro enterprises and small enterprises	43.83	48.72
Total	**63.15**	**63.85**

* refer note 21.1 for details of dues to micro enterprises and small enterprises. These details have been provided based on the information available with the Company in respect of the registration status of its vendors/suppliers. All trades payables are 'current'. For related party trade payables refer note 40.

The Company's exposure to credit, currency and liquidity risk related to trade payables is disclosed in note 41

Ageing schedule - Outstanding for following periods from the due date of payment (₹ in Crores)

Particulars	Disputed dues		Undisputed dues		Total
	MSME	Others	MSME	Others	
As at March 31, 2024					
Not due	-	-	19.29	22.59	41.88
Less than 1 year	-	-	0.03	3.74	3.77
1-2 years	-	-	-	-	-
2-3 years	-	-	-	-	-
More than 3 years	-	-	-	0.05	0.05
Sub-total	**-**	**-**	**19.32**	**26.38**	**45.70**
Add: Unbilled dues					17.45
Total					**63.15**
As at March 31, 2023					
Not due	-	-	15.13	24.15	39.28
Less than 1 year	-	-	-	2.64	2.64
1-2 years	-	-	-	-	-
2-3 years	-	-	-	0.03	0.03
More than 3 years	-	-	-	0.02	0.02
Sub-total	**-**	**-**	**15.13**	**26.84**	**41.97**
Add: Unbilled dues					21.88
Total					**63.85**

21.1. Dues to micro enterprises and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 28, 2008, which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the MSMED Act'). In view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet dates.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
(a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year;	19.32	15.13
(b) the amount of interest paid by the buyer in terms of section 16 of the MSMED Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Note 22 : Provisions

(₹ 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
Provision for employee benefits				
Leave encashment	4.40	3.91	1.50	1.10
Gratuity (refer note 37)	-	-	2.19	0.76
Provision for others				
Warranty	-	-	1.40	0.90
Others	-	-	-	-
Total	**4.40**	**3.91**	**5.09**	**2.76**

Movement in provision for others

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Provision for warranty	Provision for others	Provision for warranty	Provision for others
Opening balance	0.90	-	0.50	0.77
Provision made during the year	0.55	-	0.40	-
Utilisation / transfer during the year	(0.05)	-	-	(0.77)
Closing balance	**1.40**	**-**	**0.90**	**-**

Note: The Company provides for warranty on certain products sold by the Company.

Provision for warranty are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 23 : 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
Advances from customers	-	-	0.79	0.17
Deferred income	0.32	0.44	0.03	0.03
Statutory dues payable	-	-	9.88	3.99
Others including EPCG related payable	-	-	7.61	5.19
Total	**0.32**	**0.44**	**18.31**	**9.38**

Note 24 : Revenue From Operations

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from contracts with customers		
Sale of products	659.35	596.93
Other operating revenues	1.48	1.87
Total	**660.83**	**598.80**

Notes:

1. Revenue from major products

(₹ in Crores)

Categories of products sold	Year ended March 31, 2024	Year ended March 31, 2023
Brake Linings	259.68	243.00
Disc Pads	362.79	323.99
Clutch Facings	3.94	4.21
Railway Brake Blocks	13.75	6.60
Others	19.19	19.13
Total	**659.35**	**596.93**

2. Other operating revenues

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Scrap sales	0.80	1.09
Export incentives	0.68	0.74
Others	0.00	0.04
Total	**1.48**	**1.87**

3. Contract balances

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

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract asset	-	-
Contract liabilities (advances from customers)	0.79	0.17

The amount of INR 0.17 included in contract liabilities at March 31, 2023 has been recognised as revenue during the year ended March 31, 2024 (March 31, 2023: INR 0.12).

4. 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	682.61	622.07
Adjustments for:		
Rebates	(23.26)	(25.14)
Total revenue from contract with customers	**659.35**	**596.93**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 25 : Other Income (₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income		
- On bank deposits measured under effective interest method	0.86	0.46
- On financial assets measured at FVTPL	0.36	0.22
Liabilities no longer required written back	-	6.15
Other non-operating income	0.92	1.44
Total	**2.14**	**8.27**

Note 26 : Cost Of Materials Consumed (₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock of raw materials and stock-in-trade	48.25	73.46
Purchases made during the year	364.00	319.85
Closing stock of raw materials and stock-in-trade	(55.20)	(48.25)
Total	**357.05**	**345.06**

Note 27 : Changes in inventories of work-in-progress and finished goods (₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Work-in-progress		
- Opening stock	5.80	5.12
- Closing stock	6.82	5.80
Sub-total (a)	**(1.02)**	**(0.68)**
Finished goods		
- Opening stock	32.36	17.67
- Closing stock	26.28	32.36
Sub-total (b)	**6.08**	**(14.69)**
Total (a + b)	**5.06**	**(15.37)**

Note 28 : Employee Benefit Expense (₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries and wages	68.78	66.67
Expenses relating to post-employment benefit plans - Gratuity (refer note 37)	1.23	1.25
Contribution to provident fund (refer note 37)	4.59	3.85
Contribution to other funds	0.50	0.29
Staff welfare expenses	12.12	11.44
Total	**87.22**	**83.50**

Note 29 : Finance Costs (₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest expense		
- On lease liabilities	0.00	0.00
- On others	0.03	0.05
Total	**0.03**	**0.05**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 30 : Depreciation and amortisation expenses

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (refer note 3)	21.34	19.55
Depreciation of right-of-use assets (refer note 5)	0.18	0.13
Amortisation of intangible assets (refer note 6)	0.32	0.32
Total	**21.84**	**20.00**

Note 31 : Other Expenses

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power and fuel	28.48	26.35
Consumption of stores and spares	9.84	8.95
Rent expense (refer note 39)	0.09	0.09
Travelling and conveyance	6.76	5.57
Repairs and maintenance		
- Buildings	0.51	0.57
- Plant and machinery	12.42	13.74
- Others	7.87	7.62
Packing, despatching and freight	31.87	30.02
Key management personnel commission (refer note 40)	1.12	0.95
Insurance	1.23	1.10
Commission to selling agents	2.09	1.21
Rates and taxes	4.57	1.17
Payment to auditors (refer note 31.1)	0.27	0.23
Directors' sitting fees	0.19	0.18
Sales promotion and publicity	7.02	6.87
Professional charges	6.16	6.36
Information system expenses	2.53	2.62
Foreign exchange loss, net	0.45	0.74
Loss allowance on trade receivables	0.03	1.24
Printing and stationery	0.53	0.49
Royalty	4.87	6.56
Trade mark fees	3.29	2.99
Corporate social responsibility expenditure (refer note 31.2)	0.85	0.85
Miscellaneous expenses	3.08	2.74
Total	**136.12**	**129.21**

NOTES FORMING PART OF FINANCIAL STATEMENTS

31.1. Payment to auditors (excluding taxes)

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
For statutory audit and limited reviews	0.24	0.20
For tax audit	0.01	0.01
For reimbursement of expenses	0.02	0.02
Total	**0.27**	**0.23**

31.2. Expenditure on corporate social responsibility

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
(i) Amount required to be spent by the company during the year	0.85	0.85
(ii) Amount approved by the Board to be spent during the year	0.85	0.85
(iii) Amount spent during the year		
(a) Construction / acquisition of asset	-	-
(b) On purposes other than (a) above		
(i) Donation	0.73	0.32
(ii) Social welfare expenses	0.12	0.12
(iii) Amount required to be set-off	-	0.41
(iv) Shortfall / (excess) at the end of the year	-	0.00
(v) Total of previous years shortfall	-	-
(vi) Reason for shortfall	NA	NA
(vii) Nature of CSR activities	Education and Community development	Education and Community development
(viii) Details of related party transactions	Refer note 40	Refer note 40
(ix) Where a provision is made with respect to a liability incurred by entering a contractual obligation	No	No

31.3. Other statutory information

a. The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

b. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

c. The Company does not have any transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of the Companies Act, 1956 during the year.

d. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:

   1) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

   2) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

e. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

   a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

g. The Company does not have any borrowings from banks or financial institutions. The Company has not been declared as a wilful defaulter by any bank or financial institution or other lenders.

NOTES FORMING PART OF FINANCIAL STATEMENTS

h. The Company does not have any subsidiaries. Hence, compliance with the number of layers prescribed under clause 87 of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable.

i. The Company has not entered into any scheme of arrangement as per sections 230 to 237 of the Companies Act, 2013. Also refer note 35.

j. The Company does not have any charges or satisfaction which is yet to be registered with Registar of Companies beyond the statutory period.

k. Quarterly returns or statements of current assets filed by the Company for the sanction of working capital loans with banks or financial institutions are in agreement with the books of accounts.

Note 32 : Ratios as per the Schedule III Requirements

a) Current ratio = Current assets divided by current liabilities (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Current assets	254.28	237.66
Current liabilities	112.62	107.61
Ratio	**2.26**	**2.21**
% Change from previous year	**2.26%**	

Reason for change more than 25% : Not applicable

b) Debt-equity ratio and Debt service coverage ratio are not applicable since the Company does not have any debt.

c) Return on equity ratio = Profit after tax divided by average shareholder's equity (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Profit after tax	40.28	33.46
Average shareholder's equity (Refer note below)	271.13	252.01
Ratio	**14.86%**	**13.28%**
% Change from previous year	**11.90%**	

Reason for change more than 25% : Not applicable

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

d) Inventory turnover ratio = Revenue from sale of products divided by average inventory (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Revenue from sale of products	659.35	596.93
Average inventory (Refer note below)	92.14	95.76
Ratio	**7.16**	**6.23**
% Change from previous year	**14.93%**	

Reason for change more than 25% : Not applicable

Note: Average inventory = (Total inventory as at beginning of respective year + total inventory as at end of respective year) divided by 2

NOTES FORMING PART OF FINANCIAL STATEMENTS

e) Trade receivables turnover ratio = Revenue divided by average trade receivables (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Revenue (Refer note 1 below)	660.83	598.80
Average trade receivables (Refer note 2 below)	128.42	123.54
Ratio	**5.15**	**4.85**
% Change from previous year	**6.19%**	

Reason for change more than 25% : Not applicable

Note 1: Revenue for the purpose of the table above represents revenue from operations.

Note 2: Average trade receivables = (Total trade receivables as at the beginning of respective year + Total trade receivables as at the end of respective year) divided by 2

f) Trade payables turnover ratio = Expenses divided by average trade payables (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Expenses (Refer note 1 below)	405.71	358.82
Average trade payables (Refer note 2 below)	63.50	94.36
Ratio	**6.39**	**3.80**
% Change from previous year	**68.16%**	

Reason for change more than 25% : Change is on account of earlier payment made to creditors.

Note 1: Purchases include purchases during the year, consumption of stores and spares and packing, despatch and freight.

Note 2: Average trade payables = (Total trade payables as at the beginning of respective year + Total trade payables as at the end of respective year) divided by 2.

g) Net capital turnover ratio = Revenue from operations divided by working capital (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	660.83	598.80
Working capital	141.66	130.05
Ratio	**4.66**	**4.60**
% Change from previous year	**1.30%**	

Reason for change more than 25% : Not applicable

Note: Working capital = Current assets - Current liabilities

h) Net profit ratio = Net profit after tax divided by Revenue from operations (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Net profit after tax	40.28	33.46
Revenue from operations	660.83	598.80
Ratio	**6.10%**	**5.59%**
% Change from previous year	**9.12%**	

Reason for change more than 25% : Not applicable

i) Return on capital employed= Earnings before interest and taxes (EBIT) divided by Capital employed (₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Earnings before interest and taxes (Refer note 1 below)	54.46	44.63
Capital employed (Refer note 2 below)	282.92	261.71
Ratio	**19.25%**	**17.05%**
% Change from previous year	**12.90%**	

Reason for change more than 25% : Not applicable

Note 1: EBIT= Profit before taxes + Finance costs

Note 2: Capital employed = Total equity + deferred tax liabilities + lease liabilities

NOTES FORMING PART OF FINANCIAL STATEMENTS

j) Return on investment = Income generated from invested funds divided by average invested funds in treasury investments

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Income generated from invested funds	1.22	0.68
Average invested funds in treasury investments (Refer note below)	13.39	20.74
Ratio	**9.11%**	**3.28%**
% Change from previous year	**177.74%**	

Reason for change more than 25% : Variance is on account of higher investments in treasury funds during the current year. Further, the rate of return on investment in treasury funds increased in the current year vis-à-vis the previous year.

Note: Invested funds in treasury investments = (Investment in treasury funds as at the beginning of respective year + Investment in treasury funds as at the end of respective year) divided by 2.

Note 33 : Tax Expense

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current tax expense :		
- Current year	12.92	12.19
Deferred tax expense - Attributable to :		
- Origination and reversal of temporary differences	1.23	(1.07)
Tax expense recognised in profit or loss	**14.15**	**11.12**

Reconciliation of effective tax rate

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax	**54.43**	**44.58**
Income tax expense calculated at applicable statutory rate of 25.17% (March 31, 2023: 25.17%)	13.70	11.22
Effect of:		
Non-deductible expense	0.21	0.21
Others	0.24	(0.31)
Income tax expense recognised in profit or loss	**14.15**	**11.12**

Note 34.A : Contingent Liabilities

(₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Claims against the company not acknowledged as debts		
- Income tax matters	11.34	9.80
- Sales tax matters	0.03	0.64
- Service tax matters	0.34	0.34
- Legal and other matters	0.07	0.13

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

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 34.B : 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, not provided for	10.63	12.72

Note 35 : Proposed scheme of amalgamation

The Board of Directors of the Company in their meeting held on February 09, 2024, considered and approved the proposed scheme of amalgamation ("scheme") of the Company and Rane Engine Valve Limited with and into Rane (Madras) Limited, 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.

Exceptional item represents the amount of INR 1.22 during the year ended March 31, 2024, relating to proposed scheme of amalgamation.

Note 36 : Earnings Per Share ('EPS')

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit attributable to the equity holders	40.28	33.46
Weighted average number of equity shares	77,29,871	77,29,871
a. Basic Earning per share (₹)	52.11	43.29
b. Diluted Earnings per share (₹)	52.11	43.29

Note 37 : Employee Benefit Plans

A. Defined contribution plans

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

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary.

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

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

The Company contributes up to 15% of the eligible employees' salary to Life Insurance Corporation of India ('LIC') every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of INR 4.59 (for the year ended March 31, 2023 : INR 3.85) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2024, contributions of INR 0.78 (as at March 31, 2023 : INR 0.65) had not been paid. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees upon resignation, retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to Life Insurance

NOTES FORMING PART OF FINANCIAL STATEMENTS

Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

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

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

(a) Gratuity

The following table summarises the position of assets and obligations relating to the plans: (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of defined benefit obligation	23.99	20.47
Fair value of plan assets	21.80	19.71
Net liability recognised in the balance sheet	**2.19**	**0.76**

(i) Movement in present values of defined benefit obligations (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening defined benefit obligation	20.47	19.64
Current service cost	1.22	1.20
Interest cost	1.44	1.38
Actuarial (gain) / loss	1.51	(0.43)
Benefits paid	(0.65)	(1.32)
Closing defined benefit obligation	**23.99**	**20.47**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Opening fair value of plan assets	19.71	18.21
Actuarial gain / (loss)	0.09	0.02
Return on plan assets (excluding amounts included in net interest expense)	1.43	1.33
Contributions from the employer	1.22	1.47
Benefits paid	(0.65)	(1.32)
Closing fair value of plan assets	**21.80**	**19.71**

(iii) Amounts recognised in statement of profit and loss and other comprehensive income in respect of these defined benefit plans are as follows. (₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current service cost	1.22	1.20
Net interest expense	0.01	0.05
Components of defined benefit costs recognised in profit or loss	**1.23**	**1.25**
Remeasurement on the net defined benefit liability :		
Actuarial gains on plan assets	0.09	0.02
Actuarial gains / (losses) on plan obligations	(1.51)	0.43
Components of defined benefit costs recognised in other comprehensive income	**(1.42)**	**0.45**

NOTES FORMING PART OF FINANCIAL STATEMENTS

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(iv) The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	6.97%	7.19%
Salary escalation	8.00%	8.00%
Attrition - Operators	1.00%	1.00%
Attrition - Executive and staffs	7.00%	5.00%

Notes:

(i) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

(ii) The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

(iii) The entire plan assets are managed by Life Insurance Corporation of India (LIC).

Sensitivity analysis (₹ in Crores)

Change in assumption	March 31, 2024	March 31, 2023
A. Discount rate + 50 BP	**7.47%**	**7.69%**
Defined Benefit Obligation	23.00	19.54
Current service cost	1.33	1.16
B. Discount rate - 50 BP	**6.47%**	**6.69%**
Defined Benefit Obligation	24.90	21.31
Current service cost	1.45	1.29
C. Salary escalation rate +50 BP	**8.50%**	**8.50%**
Defined Benefit Obligation	24.90	21.31
Current service cost	1.45	1.28
D. Salary escalation rate -50 BP	**7.50%**	**7.50%**
Defined Benefit Obligation	22.99	19.53
Current service cost	1.32	1.16

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The Company expects to contribute an amount of INR 2.19 towards defined benefit plan obligations funds for year ending March 31, 2025 in view of deficit in plan assets as at March 31, 2024. The weighted average duration of the defined benefit obligation is 8.6 years (March 31, 2023 - 9.4 years). The expected maturity analysis of undiscounted gratuity is as follows:

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in Crores)

Particulars	March 31, 2024	March 31, 2023
Year 1	1.05	0.56
Year 2	2.73	1.82
Year 3	1.26	1.61
Year 4	1.18	1.07
Year 5	1.82	1.00
Next 5 years	17.94	12.89

Note 38 : Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors who are considered to be Chief Operating Decision Maker ('CODM') to make decisions about resources to be allocated to the segments and assess their performance.

The Company is engaged in manufacture of brake linings, discpads, clutch facings, clutch buttons, brake shoes and railway brake blocks for transportation industry and CODM reviews the operating results as a whole for the purpose of making decision about resources to be allocated and assess its performance. The entire business operations are classified as a single business segment, namely components for transportation industry.

Entity wide disclosures:

The Company's revenues are attributed to the Company's country of domicile and other countries from where the Company derives revenues. Revenues have been disclosed based on the geographical location of customers. The Company has only one geographical location based on location of assets and hence information relating to carrying amount of segment assets and cost to acquire property, plant and equipment and other intangible assets based on location of assets have not been disclosed.

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations (excluding export incentive income)		
- India	624.54	572.49
- Rest of the world	35.61	25.57

Major customer

Revenue from one customer constitutes 29% of the total revenue amounting to INR 188.93 (March 31, 2023 : 31% amounting to INR 184.12)

Note 39 : Leases

A. Movement in lease liabilities

The following is the movement in lease liabilities: (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**0.19**	**0.23**
Additions / (deletions / termination)	0.62	0.09
Interest expense on lease liabilities	0.00	0.00
Payment of lease liabilities	(0.18)	(0.13)
Closing balance	**0.63**	**0.19**

B. Maturity analysis - contractual undiscounted cash flows (₹ in Crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	0.16	0.11
One to five years	0.54	0.08
Total	**0.70**	**0.19**

NOTES FORMING PART OF FINANCIAL STATEMENTS

C. Amounts recognised in profit or loss

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	0.00	0.00
Expenses relating to short-term leases recognised in other expenses	0.09	0.09

D. Amounts recognised in statement of cash flows

(₹ in Crores)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflows for leases	0.18	0.13

Note 40 : Related Party Disclosures

(a) Names of Related Parties and nature of relationship :

(i)	Holding Company	Rane Holdings Limited
(ii)	Entity with significant influence	Nisshinbo Holdings Inc, Japan

Other related parties where transactions have taken place during the year:

(iii)	Key Management Personnel ('KMP')	Mr. R Balakrishnan, Manager & President Mr. L Ganesh, Director (KMP of Holding company) (Chairman till March 31, 2024) Mr. Harish Lakshman, Chairman effective April 01, 2024 (KMP of Holding company)
(iv)	Entities controlled by KMP	Rane Foundation
(v)	Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence	Rane (Madras) Limited Rane Engine Valve Limited Rane Holdings America Inc, USA Rane Holdings Europe GmbH, Germany Nisshinbo Automotive Manufacturing Inc, USA Nisshinbo Brake Inc, Japan Nisshintoa Iwao Inc, Japan Saeron Automotive Corporation, Korea Shijiazhuang TMD Friction Ltd. Co, China (till November 30, 2023) TMD Friction Services GmbH, Germany (till November 30, 2023)
(vi)	Post employment benefit plan of the Entity	Rane Brake Lining Limited Employees Gratuity Fund Rane Brake Lining Limited Senior Executives Pension Fund

(b) Related Party Transactions

(₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
Transactions during the year												
- Dividend	9.67	7.73	3.99	3.19	-	-	-	-	-	-	-	-
- Trade mark fee	3.29	2.99	-	-	-	-	-	-	-	-	-	-
- Professional charges and Information system expenses	4.98	4.60	-	-	-	-	-	-	2.24	3.55	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
- Staff welfare expenses - Training	0.25	0.28	-	-	-	-	-	-	-	-	-	-
- Sales promotion and publicity	-	-	-	-	-	-	-	-	2.61	2.36	-	-
- SAP Licence fee	0.23	0.02	-	-	-	-	-	-	-	-	-	-
- Sale of laptop	0.00	0.01	-	-	-	-	-	-	-	-	-	-
- Reimbursement of expenses	-	0.13	-	-	-	-	-	-	0.15	0.24	-	-
- Sale of products	-	-	-	-	-	-	-	-	1.75	2.18	-	-
- Purchase of raw material	-	-	-	-	-	-	-	-	41.49	40.79	-	-
- Royalty	-	-	-	-	-	-	-	-	4.75	6.56	-	-
- CSR	-	-	-	-	-	-	0.68	0.26	-	-	-	-
- Purchase of spares	-	-	-	-	-	-	-	-	0.79	-	-	-
- Purchase of capital goods	-	-	-	-	-	-	0.03	-	-	-	-	-
- Post Employment benefit plan	-	-	-	-	-	-	-	-	-	-	1.22	1.02
Short-term employee benefits												
- Sitting fees paid	-	-	0.02	0.01	0.07	0.06	-	-	-	-	-	-
- Commission to Chairman	-	-	-	-	1.12	0.95	-	-	-	-	-	-
- Remuneration to KMP	-	-	-	-	1.37	1.22	-	-	-	-	-	-

(c) Related party balances (₹ in Crores)

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
Amount Payable												
Trade payables												
- Purchase of Raw Material	-	-	-	-	-	-	-	-	5.17	4.05	-	-
- Commission to Chairman	-	-	-	-	1.12	0.95	-	-	-	-	-	-
- Trade Mark Fee	0.36	0.32	-	-	-	-	-	-	-	-	-	-
- Royalty	-	-	-	-	-	-	-	-	1.36	1.71	-	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

Description	Holding Company		Entity with significant influence		Key Management Personnel		Entities controlled by Key Management Personnel		Subsidiaries / Associates / Joint ventures of Holding Company / entity with significant influence		Post employment benefit plan of the Entity	
	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023	31-Mar-2024	31-Mar-2023
- Professional Charges	-	-	-	-	-	-	-	-	0.96	0.41	-	-
Provisions												
- Post Employment Benefit	-	-	-	-	-	-	-	-	-	-	2.21	0.80
Amount Receivable												
Revenue advances	-	-	0.00	-	-	-	-	-	0.02	-	-	-
Trade receivables												
- Sale of Products	-	-	-	-	-	-	-	-	0.46	0.75	-	-
- Sale of Assets (Laptops)	-	0.01	-	-	-	-	-	-	-	-	-	-

Provision for gratuity and compensated absences for KMP amounts to INR 0.92 based on actuarial valuation.

Note 41 : Financial instruments - Fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

(₹ in Crores)

Particulars	Carrying Amount				Fair value			
	Note	Measured at FVTPL	Measured at FVTOCI	Measured at amortised cost	Total	Level 1	Level 2	Level 3
As at March 31, 2024								
Financial assets								
Investments in equity shares carried at amortised cost	7	-	-	1.90	1.90	-	-	-
Investments in mutual funds (refer note 2 below)	13	4.06	-	-	4.06	-	4.06	-
Trade receivables	14	-	-	147.04	147.04	-	-	-
Cash and cash equivalents	15	-	-	3.86	3.86	-	-	-
Bank balances other than cash and cash equivalents	16	-	-	0.41	0.41	-	-	-
Other financial assets	8	-	-	5.00	5.00	-	-	-
Total financial assets		**4.06**	**-**	**158.21**	**162.27**	**-**	**4.06**	**-**
Financial liabilities								
Trade payables	21	-	-	63.15	63.15	-	-	-
Derivative liabilities	20	0.04	-	-	0.04	-	0.04	-
Other financial liabilities	20	-	-	26.19	26.19	-	-	-
Total financial liabilities		**0.04**	**-**	**89.34**	**89.38**	**-**	**0.04**	**-**

NOTES FORMING PART OF FINANCIAL STATEMENTS

Particulars	Carrying Amount				Fair value			
	Note	Measured at FVTPL	Measured at FVTOCI	Measured at amortised cost	Total	Level 1	Level 2	Level 3
As at March 31, 2023								
Financial assets								
Investments in equity shares carried at amortised cost	7	-	-	1.35	1.35	-	-	-
Investments in mutual funds (refer note 2 below)	13	22.72	-	-	22.72	-	22.72	-
Trade receivables	14	-	-	109.80	109.80	-	-	-
Cash and cash equivalents	15	-	-	6.75	6.75	-	-	-
Bank balances other than cash and cash equivalents	16	-	-	0.36	0.36	-	-	-
Derivative assets	8	0.05	-	-	0.05	-	0.05	-
Other financial assets	8	-	-	4.74	4.74	-	-	-
Total financial assets		**22.77**	**-**	**123.00**	**145.77**	**-**	**22.77**	**-**
Financial liabilities								
Trade payables	21	-	-	63.85	63.85	-	-	-
Other financial liabilities	20	-	-	32.10	32.10	-	-	-
Total financial liabilities		**-**	**-**	**95.95**	**95.95**	**-**	**-**	**-**

Note 1: The Company has not disclosed fair values of financial instruments such as investments in equity instruments, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other financial assets, trade payables and other financial liabilities, since their carrying amounts are a reasonable approximation of their fair values.

Note 2: Fair value of investment in mutual fund is determined based on Net Assets Value published by respective funds (Level 2 - Fair value hierarchy).

Note 3: 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.

There has been no transfers between level 1, level 2 and level 3 for the year ended March 31, 2024 and March 31, 2023.

Fair value measurement hierarchy

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

a) Credit risk (see (ii) below);

b) Liquidity risk (see (iii) below); and

c) Market risk (see (iv) below).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ii. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily from trade receivables, investments and other financial assets.

Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of the Company's trade receivables and other financial assets. The Company enters into long term contracts with its customers whereby it mitigates the risk exposure on high risk customers. Outstanding customer receivables are regularly monitored and reviewed by the Audit committee periodically.

The carrying amount of financial assets represent the maximum credit exposure. The maximum exposure to credit risk for investments, trade receivables, cash and cash equivalents, Bank balances other than cash and cash equivalents and other financial assets are as follows: (₹ in Crores)

	Carrying amount	
	As at March 31, 2024	As at March 31, 2023
Investments	5.96	24.07
Trade receivables	147.04	109.80
Cash and cash equivalents	3.86	6.75
Bank balances other than cash and cash equivalents	0.41	0.36
Other financial assets	5.00	4.79
	162.27	**145.77**

(a) Trade receivables

The Company's exposure to credit risk for trade receivables by relationship is as follows: (₹ in Crores)

	As at March 31, 2024	As at March 31, 2023
Third party customers	150.80	113.48
Related parties	0.46	0.74
Sub-total	**151.26**	**114.22**
Loss allowance	(4.22)	(4.42)
Total	**147.04**	**109.80**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Company's trade receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has adopted a practical measure of computing the expected credit loss allowance for trade receivable which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including consideration for increased likelihood of credit risk. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Ageing of trade receivables	Credit impaired	Weighted average credit loss rate	Gross carrying amount	Impairment loss allowance
Less than 120 days (including not due)	No	0.14% - 21.43%	148.21	1.17
More than 120 days	Yes	100.00%	3.05	3.05

(b) Investments

Investments include investments in power generation companies and mutual funds. The company maintains its investment in mutual funds with reputed banks. The credit risk on these instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

(c) Cash and cash equivalents and bank balances other than cash and cash equivalents

The Company holds cash and cash equivalents and bank balances other than cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates. The credit risk on these instruments is limited because the counterparties are banks and financial institutions with high credit ratings assigned by international credit rating agencies.

(d) Other financial assets

Other financial assets comprises of deposits with statutory authorities, interest receivables, long term deposits, advances recoverable in cash and security deposits. The credit risk on these instruments is limited because the counterparties are predominantly Government.

iii. Liquidity risks

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.

Exposure to liquidity risk

The following are contractual maturities of financial liabilities on reporting dates. The amounts are gross and undiscounted:-

(₹ in Crores)

		Contractual cash flows				
	Carrying amount	Total	6 months or less	6-12 months	1-5 years	More than 5 years
As at March 31, 2024						
Trade payables	63.15	63.15	63.15	-	-	-
Other financial liabilities	26.19	26.19	25.57	-	0.62	-
	89.34	**89.34**	**88.72**	**-**	**0.62**	**-**
As at March 31, 2023						
Trade payables	63.85	63.85	63.85	-	-	-
Other financial liabilities	32.10	32.10	31.51	-	0.59	-
	95.95	**95.95**	**95.36**	**-**	**0.59**	**-**

iv. Market risks

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity, and other market changes. The Company's exposure to market risk is primarily on account of foreign currency risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily towards import payments and receipt of trade receivables.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Exposure to currency risk *

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
EURO	0.11	0.10	-	1.06
GBP	0.31	0.02	0.18	-
JPY	-	2.79	-	4.62
USD	9.97	2.05	5.83	2.35
Foreign currency exposure	10.39	4.96	6.01	8.03
Less: Hedged through forward contracts	0.32	2.60	0.16	2.90
Unhedged exposure	10.07	2.36	5.85	5.13

* Net of derivative instruments.

Sensitivity analysis

A reasonably possible strengthening / weakening of the INR against EURO / CNH / GBP / JPY / USD as at the respective reporting period end would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remains constant.

(₹ in Crores)

Impact on profit or (loss) Equity	FC movement (by 1%)	
	31-Mar-24	31-Mar-23
Strengthening	(0.08)	(0.01)
Weakening	0.08	0.01

Derivative instruments

"The Company holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rates on foreign currency exposure arising on account of import payments. The counterparties of these contracts are generally banks. These derivative financial instruments are determined using quoted forward exchange rates at the reporting dates based on information obtained from respective bankers.

(₹ in Crores)

Particulars	As at March 31, 2024		As at March 31, 2023	
	> 180 days	<= 180 days	> 180 days	<= 180 days
Forward exchange contracts maturing				
Sell INR				
Net exposure	-	1.66	-	2.28
Average INR / JPY forward contract rate	-	0.57	-	0.61
Net exposure	-	0.10	-	-
Average INR / USD forward contract rate	-	82.99	-	-
Net exposure	-	0.02	-	-
Average INR / CNH forward contract rate	-	11.54	-	-
Net exposure	-	0.82	-	0.62
Average INR / EURO forward contract rate	-	90.65	-	87.74
Buy INR				
Net exposure	-	0.32	-	0.16
Average INR / GBP forward contract rate	-	105.96	-	99.74

Interest rate risk

The Company has only fixed rate financial assets (refer note 15). There are no variable rate instruments held by the Company.

Offsetting financial assets and financial liabilities

The Company does not have any financial instruments that offset or are subject to enforceable master netting arrangements and other similar agreements.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Note 42 : Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 03, 2024.

Material accounting policies	2
See accompanying notes forming part of the financial statements	2 - 42

As per our report of even date attached

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

for and on behalf of the Board of Directors of
Rane Brake Lining Limited

Harsh Vardhan Lakhotia Partner Membership No.: 222432	**Ganesh Lakshminarayan** Director DIN:00012583	**Harish Lakshman** Chairman DIN:00012602

Place : Chennai Date : **May 03,2024**	**R Balakrishnan** Manager	**J Ananth** Chief Financial Officer	**Venkatraman** Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO
The Members of
RANE (MADRAS) LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Rane (Madras) Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2024, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matter(s)

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

Revenue recognition

See Note 23 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and the basis used to recognise revenue at a point in time. Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer. Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. Therefore, there may be a possibility for revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter, the following key audit procedures were performed by us: • Assessed the compliance of the Company's revenue recognition accounting policies with applicable accounting standards. • Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. • Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping document, customer acknowledgement, dispatch notes, etc. • Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized. • Performed testing of non-standard journal entries posted in revenue.

Recognition and recoverability of deferred tax assets

See Note 21 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has recorded deferred tax assets of INR 113.34 crores relating to tax losses consequent to reduction/ write down of investments in the context of the sale of the stake in the underlying step-down subsidiary. The recognition and recoverability of these deferred tax assets involves: • assessment of the underlying tax laws; • dependency on the generation of sufficient future taxable income that can be set off against the losses recognized and hence, involves significant judgement. These judgements could change over time as the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. The Company has obtained legal advice on the matter. Recognition and recoverability of deferred tax assets has been identified as a key audit matter due to the high degree of judgment required and significance of the amounts involved.	In view of the significance of the matter, the following key audit procedures were performed by us: • Assessed the compliance of the Company's accounting policies with applicable accounting standards. • Evaluated the design and implementation of the key internal financial controls with respect to the measurement and recognition of deferred tax assets and tested the operating effectiveness of such controls. • Involved our tax specialists to assist us in evaluating the appropriateness of the nature of the tax losses that can be set off against the future profits. • Evaluated the appropriateness of the key assumptions used in the projections considered for estimating future taxable profits. • Performed sensitivity analysis on the key assumptions used in the evaluation. • Assessed the adequacy of the disclosures in the standalone financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements Other Legal and Report on Other Legal and Regulatory Requirements Regulatory Requirements

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

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

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 2 April 2024 and 10 April 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. The following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Year	Date of declaration of dividend	Amount outstanding in unclaimed dividend account	Due date for transfer to Investor Education Protection Fund	Actual date of transfer to Investor Education Protection Fund
2017	23 January 2017	INR 95,564	1 March 2024	2 May 2024

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 38 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operating throughout the year for all relevant transactions recorded in the respective softwares:

- the feature of audit trail was not enabled at the database layer of the accounting software for the entire period.
- the feature of audit trail was enabled at the application layer for the accounting softwares used for maintaining books of accounts except for certain fields relating to payroll, inventory, production records and price change system relating to sales / purchases.
- The feature of audit trail was not enabled at the application layer of the accounting software for direct data changes performed by users having privileged access.

Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting softwares, we did not come across any instance of the audit trail feature being tampered with.

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

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

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:24203491BKCQPD2659

Place: Chennai
Date: May 09 2024

Annexure A to the Independent Auditor's Report

on the Standalone Financial Statements of Rane (Madras) Limited for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company. In respect of certain immovable properties of land and buildings whose title deeds have been pledged with banks as security for term loans, our reporting under this clause is based on confirmations received from such banks that the immovable properties are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as disclosed in Appendix I.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided 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 made investment in Companies, in respect of which the requisite information is given below. The Company did not make investment in firms, limited liability partnership or any other parties.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not 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. Accordingly, reporting under clause 3(iii)(a) is not applicable to the Company.

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loan to any party. Accordingly, clause 3(iii)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loan to any party. Accordingly, clause 3(iii)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans and advances in the nature of loan to any party. Accordingly, clause 3(iii)(e) of the Order is not applicable.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of the investments made and guarantee given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with. The Company has not given any loans and provided any security to any party.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the products manufactured by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 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 on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute except as disclosed in Appendix II.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has taken funds from following entities and persons on account of or to meet the obligations of its subsidiary (including step-down subsidiary) (as defined under the Act) as disclosed in Appendix III.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year in respect of which detailed investigation is ongoing. However, based on procedures performed by the Company at this stage, the Company believes that underlying allegations have no material impact on these financial statements. These whistle blower complaints have been considered by us while determining the nature, timing and extent of our audit procedures.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:24203491BKCQPD2659

Place: Chennai
Date: May 09, 2024

Appendix I to the Independent Auditors' Report

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

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
Jun 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade receivables	368.73	356.70	12.03	No
Jun 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade Payables	307.25	210.87	96.38	No
Sep 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade receivables	349.57	336.68	12.89	No
Sep 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade Payables	316.24	203.94	112.30	No
Dec 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade receivables	397.85	389.75	8.10	No
Dec 23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank	Trade Payables	340.88	212.19	128.69	No
Mar 24	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade receivables	339.56	369.43	(29.87)	No
Mar 24	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade Payables	284.40	175.34	109.06	No

Quarter	Name of bank	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
Mar 24	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Inventory	240.34	238.01	2.33	No

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

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

Appendix II to the Independent Auditors' Report

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

Name of the Statute	Nature of the dues	Amount (in INR Crores)	Amount unpaid (in INR Crores)*	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1945	Excise Duty	0.75	-	2012-13	Customs, Goods & Service tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.72	-	2007-08 to 2011-12	Customs, Goods & Service tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax	0.07	0.04	2011-12	Assistant Commissioner,Nizamabad
Maharashtra VAT Act, 2002	Sales tax /VAT	1.10	1.08	2005-06, 2006-07 and 2008-09	Maharashtra Sales Tax Appellate Tribunal
Tamil Nadu Value Added Tax Act, 2006	Sales tax /VAT	0.34	0.34	2014-15	Assistant Commissioner, Alandur, Tamil Nadu
Tamil Nadu Value Added Tax Act, 2006 (CST)	Sales tax /VAT	1.76	1.76	2016-17 and 2017-18	Deputy Commissioner (Appeals), Tamil Nadu
Karnataka Value Added Tax Act, 2003	Sales tax /VAT	0.25	-	2013-14 to 2016-17	Commissioner of Sales Tax (Appeals), Mysore
Puducherry Value Added Tax Act, 2007	Sales tax /VAT	0.07	0.03	2010-11	Commissioner of Sales Tax (Appeals), Pondicherry
Uttarakhand Value Added Tax Act, 2005	Sales tax /VAT	0.61	0.60	2011-12	Joint commissioner of Sales Tax (Appeals), Uttaranchal
Haryana Value Added Tax Act, 2003	Sales tax/VAT	0.01	0.01	2014-15	Commissioner of Sales Tax (Appeals)- Gurgaon
Telangana Value Added Tax Act, 2005	Sales tax/VAT	1.40	1.40	2012-13	Telangana High Court
Telangana Entry of Goods into Local Areas Act, 2001	Sales tax/VAT	1.07	0.80	2011-12 to 2017-18	AP & Telangana High Court
Telangana Value Added Tax Act, 2005	Sales tax/VAT	0.07	0.07	2012-13 to 2015-16	Commissioner (Appeals)
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	1.32	1.25	2017-18	Appeal to Joint Commissioner (Appeals)
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	0.93	0.93	2018-19	Appeal to be filed
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	0.29	0.26	2017-18	Appeal to Joint Commissioner (Appeals)
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	0.76	-	2017-18	Appeal to Commissioner (Appeals)

Name of the Statute	Nature of the dues	Amount (in INR Crores)	Amount unpaid (in INR Crores)*	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	7.52	5.52	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	1.91	0.67	2010-11	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	2.39	1.82	2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	0.13	0.09	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	3.14	3.14	2016-17	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	2.78	2.23	2018-19	Commissioner of Income Tax (Appeals)

*Net of amount paid under protest

Appendix III to the Independent Auditors' Report

Details of funds taken to meet the obligations of its subsidiaries, associates or joint ventures

Nature of fund taken	Name of the lender	Amount involved (in INR crores)	Name of Subsidiary, associate or joint venture	Relationship	Nature of transaction for which funds utilized	Remarks, if any
Long Term Loan	Tata Capital Limited (NBFC)	60.00	Rane Light Metal Castings Inc	Subsidiary	For repayment of loans	-
Long Term Loan	Bajaj Finance Limited (NBFC)	50.00	Rane Light Metal Castings Inc	Subsidiary	For repayment of loans	-

Annexure B to the Independent Auditor's Report

on the standalone financial statements of Rane (Madras) Limited for the year ended 31 March 2024

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

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

Opinion

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

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

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:24203491BKCQPD2659

Place: Chennai
Date: May 09 2024

STANDALONE BALANCE SHEET
AS AT MARCH 31, 2024

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

S.No	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A.	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	2	420.73	380.10
	(b) Capital work-in-progress	2	13.14	16.06
	(c) Right of use assets	3	4.72	5.25
	(d) Goodwill	4	4.63	4.63
	(e) Other intangible assets	5	1.29	2.72
	(f) Financial assets			
	(i) Investments	6	29.16	40.05
	(ii) Other financial assets	8	6.91	5.98
	(g) Deferred tax asset (net)	21	110.58	4.82
	(h) Income tax assets (net)	9	41.89	17.04
	(i) Other non-current assets	10	27.06	17.62
	Total non-current assets		660.11	**494.27**
	Current assets			
	(a) Inventories	11	240.34	232.01
	(b) Financial assets			
	(i) Trade receivables	12	339.56	380.89
	(ii) Cash and cash equivalents	13	19.31	13.89
	(iii) Bank balances other than (ii) above	14	0.08	0.09
	(iv) Loans	7	0.34	0.31
	(v) Other financial assets	8	31.87	14.66
	(c) Other current assets	10	60.54	41.87
	Total current assets		692.04	**683.72**
	TOTAL ASSETS		1,352.15	**1,177.99**
B.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	15	16.27	16.27
	(b) Other equity	16	245.05	230.84
	Total Equity		261.32	**247.11**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17A	262.20	169.87
	(ii) Lease liabilities	39	4.97	5.24
	(b) Provisions	18	8.73	7.51
	(c) Other non-current liabilities	19	3.34	11.07
	Total non-current liabilities		279.24	**193.69**
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17B	438.50	354.66
	(ii) Lease liabilities	39	0.64	0.77
	(iii) Trade payables	22		
	(a) Total outstanding dues of micro enterprises and small enterprises		2.30	2.52
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		282.58	322.22
	(iv) Other financial liabilities	20	43.25	39.37
	(b) Other current liabilities	19	26.47	9.59
	(c) Provisions	18	17.85	8.06
	Total current liabilities		811.59	**737.19**
	Total liabilities		1,090.83	**930.88**
	TOTAL EQUITY AND LIABILITIES		1,352.15	**1,177.99**
	Material accounting policies	1		

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2024

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

S.No	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenues from operations	23	2,142.25	2,123.55
II	Other income	24	2.59	11.95
III	**Total income (I+II)**		2,144.84	**2,135.50**
IV	**Expenses:**			
	Cost of materials consumed	25	1,376.94	1,389.10
	Changes in inventories of finished goods and work-in-progress	26	(10.20)	(11.36)
	Employee benefits expense	27	209.66	192.56
	Finance costs	28	50.41	27.64
	Depreciation and amortisation expense	29	81.08	73.00
	Other expenses	30	385.69	336.78
	Total expenses (IV)		2,093.58	**2,007.72**
V	**Profit before exceptional items and tax (III-IV)**		51.26	**127.78**
VI	**Exceptional items**	6 & 42	141.91	225.89
VII	**Profit/(Loss) before tax (V-VI)**		(90.65)	**(98.11)**
VIII	**Tax expense:**			
	(1) Current tax	31	-	34.75
	(2) Deferred tax	21 & 31	(105.53)	(6.32)
			(105.53)	**28.43**
IX	**Profit/(Loss) for the year (VII-VIII)**		14.88	**(126.54)**
	Other comprehensive income			
	A. Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit liability/(asset)		(0.90)	(1.72)
	Income tax relating to items that will not be reclassified to statement of profit and loss		0.23	0.44
			(0.67)	(1.28)
X	**Total other comprehensive income/(loss)**		(0.67)	**(1.28)**
XI	**Total comprehensive income/(loss) for the year (IX+X)**		14.21	**(127.82)**
XII	**Earnings per equity share (Nominal value per share Rs.10)**			
	(a) Basic (In Rs.)	37	9.15	(77.80)
	(b) Diluted (In Rs.)	37	9.15	(77.80)
	Material accounting policies	1		

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A.	Cash flow from operating activities		
	Profit/(Loss) for the year	14.88	(126.54)
	Adjustments for :		
	Finance costs	50.41	27.64
	Interest income	(0.44)	(0.37)
	Net gain on disposal of property, plant and equipment	(0.18)	(0.15)
	Government grant income	(0.59)	(1.30)
	Guarantee commission	-	(0.59)
	Unrealised exchange loss/(gain)	3.89	(8.16)
	Impairment loss / (write-back) on financial assets	3.50	1.84
	Fair value change on investments recognised at FVTPL	133.92	223.28
	Depreciation and amortisation of non-current assets	81.08	73.00
	Income tax expense	(105.53)	28.43
		180.94	217.08
	Movements in working capital :		
	(Increase) / decrease in trade receivables	37.78	(69.62)
	(Increase) / decrease in inventories	(8.33)	(41.20)
	(Increase) / decrease in other current/non current financial assets	(17.77)	23.17
	(Increase) / decrease in other current / non current assets	(18.46)	1.09
	(Increase) / decrease in loans receivable	(0.03)	0.23
	Increase / (decrease) in trade payables	(39.78)	33.02
	Increase / (decrease) in long term provisions	1.22	0.50
	Increase / (decrease) in short term provisions	8.89	1.27
	Increase / (decrease) in other current / non current financial liabilities	3.08	1.12
	Increase / (decrease) in other non current liabilities	(9.21)	(2.33)
	Increase / (decrease) in other current liabilities	16.50	0.62
	Cash generated from operations	154.83	164.95
	Income tax paid	(24.85)	(35.33)
	Net cash (used in) / generated by operating activities	129.98	129.62
B.	Cash flow from investing activities		
	Interest received	0.29	1.35
	Investments in unquoted equity shares of/ Loans to subsidiaries and others	(129.48)	(76.04)
	Payments for property, plant and equipment	(121.96)	(98.89)
	Proceeds from disposal of property, plant and equipment	1.22	0.90
	Bank Balances not considered as cash and cash equivalents	0.01	0.04
	Net cash (used in) / generated by investing activities	(249.92)	(172.64)

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
C.	Cash flow from financing activities		
	Proceeds from long term borrowings	184.96	90.00
	Repayment of long term borrowings	(66.65)	(58.83)
	Proceeds from short term borrowings	1,765.35	1,012.54
	Repayment of short term borrowings	(1,709.31)	(965.61)
	Interest paid	(48.02)	(26.47)
	Payment of lease liabilities	(0.97)	(1.26)
	Net cash (used in)/ generated by financing activities	125.36	**50.37**
	Net increase / (decrease) in cash and cash equivalents	5.42	**7.35**
	Cash and cash equivalents at the beginning of the year (Refer note 13)	13.89	6.54
	Cash and Cash equivalents at the end of the year (Refer note 13)	19.31	**13.89**
	Material accounting policies (Note 1)		

See accompanying notes forming part of the Standalone Financial Statements
In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2024

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

A. Equity share capital

Description	Amount
As at April 1, 2022	**16.27**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	16.27
Changes in equity share capital during the year	-
As at March 31, 2023	**16.27**
As at April 1, 2023	16.27
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2023	16.27
Changes in equity share capital during the year	-
As at March 31, 2024	16.27

B. Other equity

Description	Reserves and Surplus						Total equity
	General reserve	Securities premium	Capital redemption reserve	Amalgamation adjustment account	Retained earnings	Total reserves and surplus	
Balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(27.58)	358.66	358.66
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(27.58)	358.66	358.66
Profit/(Loss) for the year	-	-	-	-	(126.54)	(126.54)	(126.54)
Other comprehensive income/(loss) for the year	-	-	-	-	(1.72)	(1.72)	(1.72)
Income tax on OCI Items	-	-	-	-	0.44	0.44	0.44
Balance as at March 31, 2023	185.89	187.82	12.73	(0.20)	(155.40)	230.84	230.84
Balance as at April 1, 2023	185.89	187.82	12.73	(0.20)	(155.40)	230.84	230.84
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-
Restated balance as at April 1, 2023	185.89	187.82	12.73	(0.20)	(155.40)	230.84	230.84
Profit/(Loss) for the year	-	-	-	-	14.88	14.88	14.88
Other comprehensive income/(loss) for the year	-	-	-	-	(0.90)	(0.90)	(0.90)
Income tax on OCI Items	-	-	-	-	0.23	0.23	0.23
Balance as at March 31, 2024	185.89	187.82	12.73	(0.20)	(141.19)	245.05	245.05
Material accounting policies				1			

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

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

General Information

Rane (Madras) Limited (The "Company") is a public limited Company incorporated under the provisions of the Companies Act, 1956, in India with its registered office in Chennai, Tamil Nadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

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

Material Accounting Policies

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

1.1 Statement of Compliance

The Standalone Financial Statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time. The Company has consistently applied accounting policies to all periods.

1.11 Basis of preparation and presentation

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

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

The Company classifies an asset as current asset when:

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

All other assets are classified as non-current.

A liability is classified as current when –

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

All other liabilities are classified as non-current.

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

Functional and presentation currency

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

Use of judgements and estimates

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

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

Key accounting estimates, assumptions and judgements

(i) **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Recoverability of deferred tax assets - Note 21

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Whether an arrangement contains a lease and lease classification - Note 39

(ii) **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

(a) Measurement of defined benefit obligations, key actuarial assumptions – Note 36

(b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 18 and 40

(c) Recognition of deferred tax assets/liabilities – Note 21

(d) Fair value of financial instruments through profit and loss account – Note 6

(e) Impairment of Intangible assets and goodwill – Note 4

(f) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes 3 and 39

The material accounting policies are set out below :

1.12 Property, plant and equipment

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

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

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

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

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

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

Transition to Ind AS

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

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Depreciation

Depreciation is calculated on the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013, using the straight-line method or based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Management estimate of useful Life (in years)	Useful life as per Schedule II (in years)
Buildings (Other than factory buildings)	60 years	60 Years
Factory building	30 years	30 years
Plant and equipment	1 - 15 years	15 years
Vehicles	5 Years	6 years
Furniture & Fixtures	5 Years	10 years
Office Equipment (other than computers)	3 Years	5 years
Computers, Server and networks	3-6 Years	3-6 years

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

1.13 Intangible assets

Goodwill

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

Other Intangible assets

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

Subsequent expenditure

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

1.14 Impairment of non-financial assets

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

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

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

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

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

1.15 Borrowings and Borrowing costs

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

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.16 **Leases**

The Company's lease asset classes primarily consist of leases for land, buildings and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

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

Short-term leases and leases of low-value assets

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

1.17 **Inventories**

Inventories are valued at the lower of cost on weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

1.18 Cash and cash equivalents

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

1.19 Cash Flow Statement

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

1.20 Foreign currency transactions and translations

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

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

1.21 Revenue Recognition

The Company derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic products, Die casting products & other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers (i.e. when products are delivered to customers or when delivered to a carrier, as the case may be) at an amount that reflects the consideration that the Company expects to receive in exchange for those products or services. Revenue is reduced for estimated discounts and other similar allowances.

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

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

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

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

A trade receivable without a significant financing component is initially measured at transaction price.

1.22 Other income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

1.23 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with

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the conditions attaching to them and that the grants will be received. Such grants are valued at fair value at the initial recognition.

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

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

1.24 Employee benefits

(i) Short - Term employee benefits

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

(ii) Defined Contribution Plans

Provident Fund

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Superannuation Fund

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

(iii) Defined Benefit Plan

Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

(iv) Other Long term employee benefits

Compensated Absence

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes.

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The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

1.25 Expenditure on Corporate Social Responsibility (CSR)

The Company accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

1.26 Research and Development expenses

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

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

1.27 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

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

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

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

Provisions for Warranty

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

1.28 Taxation

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

Current tax

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

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

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither

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accounting nor taxable profit or loss at the time of transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

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

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

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

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

1.29 Financial instruments

i. Recognition and initial measurement

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

A financial asset (except trade receivables and contract asset) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

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

On initial recognition of an equity investment that is not held for trading, the Company has irrevocably elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment).

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This election is made on an investment- by- investment basis.

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Business model assessment

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

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Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

Interest rate benchmark reform

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

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

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

iv. Offsetting

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

Impairment of financial instruments

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

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

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

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

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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

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

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

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

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedures for recovery of amounts due.

Financial and Corporate guarantee contracts

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

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

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

1.30 Fair Value

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

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

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

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

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

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

1.31 Earnings Per Share

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

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

1.32 Business Combination:

In accordance with Ind AS 103, the Company accounts for business combinations using the acquisition method when control is transferred to the Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

1.33 Dividend

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

1.34 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Company as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry.

1.35 Recent pronouncements

As on date of this Standalone Financial statements, Ministry of Corporate Affairs has not issued any standards/amendments to the accounting standards which are effective from 1st April 2024.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Freehold land	26.07	26.07
Buildings	93.18	84.03
Plant and equipment	297.56	266.31
Furniture and Fixtures	0.49	0.74
Office Equipments	3.20	2.77
Vehicles	0.23	0.18
Sub Total	420.73	**380.10**
Capital Work-in-progress	13.14	16.06
Total	433.87	**396.16**

Cost

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 1, 2022	**26.07**	**96.57**	**517.53**	**4.58**	**13.48**	**0.91**	**659.14**
Additions	-	12.32	82.39	0.05	2.14	-	96.90
Disposals	-	-	(0.74)	-	-	(0.13)	(0.87)
Balance as at March 31, 2023	**26.07**	**108.89**	**599.18**	**4.63**	**15.62**	**0.78**	**755.17**
Additions	-	13.74	104.37	0.05	2.13	0.13	120.42
Disposals	-	-	(5.97)	-	(0.01)	-	(5.98)
Balance as at March 31, 2024	26.07	122.63	697.58	4.68	17.74	0.91	869.61

Accumulated depreciation

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance as at April 1, 2022	**-**	**20.56**	**269.85**	**3.53**	**11.33**	**0.65**	**305.92**
Disposals	-		-	-	-	(0.12)	(0.12)
Depreciation expense	-	4.30	63.02	0.36	1.52	0.07	69.27
Balance as at March 31, 2023	**-**	**24.86**	**332.87**	**3.89**	**12.85**	**0.60**	**375.07**
Disposals	-		(4.93)	-	(0.01)	-	(4.94)
Depreciation expense	-	4.59	72.08	0.30	1.70	0.08	78.75
Balance as at March 31, 2024	-	29.45	400.02	4.19	14.54	0.68	448.88
Carrying amount as at March 31, 2023	**26.07**	**84.03**	**266.31**	**0.74**	**2.77**	**0.18**	**380.10**
Carrying amount as at March 31, 2024	26.07	93.18	297.56	0.49	3.20	0.23	420.73

Notes:

1) Refer note 17 for assets pledged as securities for borrowings
2) Refer note 40A for capital commitments
3) All the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the leasee) are held in the name of the Company.
4) Office Equipments includes Computers, Server and networks.

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

Particulars	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	16.06	16.24
Additions / (Capitalisations)	(2.92)	(0.18)
As at the end of the year	13.14	**16.06**

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Ageing details:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in progress	12.86	0.28	-	-	13.14
Projects temporarily suspended	-	-	-	-	-
Total	12.86	0.28	-	-	13.14
As at March 31, 2023					
Projects in progress	15.52	0.54	-	-	16.06
Projects temporarily suspended	-	-	-	-	-
Total	**15.52**	**0.54**	**-**	**-**	**16.06**

The Company does not have any capital work-in-progress that has exceeded its cost compared to its original plan. Capital work-in-progress includes certain projects whose completion is overdue. Expected completion schedule of such projects are as follows :

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in progress					
Capacity enhancement project	1.21	-	-	-	1.21
Others	7.82	-	-	-	7.82
Projects temporarily suspended	-	-	-	-	-
Total	9.03	-	-	-	9.03
As at March 31, 2023					
Projects in progress					
Capacity enhancement project	6.83	-	-	-	6.83
Others	2.01	-	-	-	2.01
Projects temporarily suspended	-	-	-	-	-
Total	**8.84**	**-**	**-**	**-**	**8.84**

3 Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Right of use assets	4.72	5.25
	4.72	**5.25**

Particulars	Land	Buildings	Vehicles	Others	Total
Cost					
Balance as at April 1, 2022	**5.36**	**1.29**	**0.88**	**0.18**	**7.71**
Additions	-	0.38	-	-	0.38
Derecognition	-	(1.27)	-	-	(1.27)
Balance as at March 31, 2023	**5.36**	**0.40**	**0.88**	**0.18**	**6.82**
Additions	-	-	-	-	-
Derecognition	-	-	-	-	-
Balance as at March 31, 2024	5.36	0.40	0.88	0.18	6.82
Accumulated depreciation					
Balance as at April 1, 2022	**0.49**	**0.67**	**0.62**	**0.08**	**1.86**
Depreciation expense	0.20	0.55	0.13	0.02	0.90
Derecognition	-	(1.19)	-	-	(1.19)
Balance as at March 31, 2023	**0.69**	**0.03**	**0.75**	**0.10**	**1.57**
Depreciation expense	0.20	0.19	0.12	0.02	0.53
Derecognition	-	-	-	-	-
Balance as at March 31, 2024	0.89	0.22	0.87	0.12	2.10
Carrying amount as at March 31, 2023	**4.67**	**0.37**	**0.13**	**0.08**	**5.25**
Carrying amount as at March 31, 2024	4.47	0.18	0.01	0.06	4.72

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4 Goodwill

Particulars	As at March 31, 2024	As at March 31, 2023
Cost	4.63	4.63
Accumulated impairment losses	-	-
Total	4.63	**4.63**

Particulars		Goodwill
Cost		
Balance as at April 1, 2022		**4.63**
Additions		-
Impairment loss		-
Balance as at March 31, 2023		**4.63**
Additions		-
Impairment loss		-
Balance as at March 31, 2024		4.63

Impairment tests for goodwill

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

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

Key assumptions used for value-in-use calculations

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

Particulars	As at March 31, 2024	As at March 31, 2023
Post tax discount rate	13.52%	16.83%
Terminal value growth rate	7.05%	7.00%
Budgeted average EBITDA growth rate	36.37%	34.18%

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

The discount rate was a post-tax measure estimated based on the weighted-average cost of capital, with a possible debt leveraging of 50% at a risk free rate of 7.05%.

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

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately INR 156.87 crores (31 March 2023: INR 112.04 crores). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

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

Impairment testing for CGUs containing goodwill	Change required for carrying amount to equal recoverable amount	
Particulars	As at March 31, 2024	As at March 31, 2023
Post tax discount rate	16.06%	18.12%
Budgeted average EBITDA growth rate	23.01%	31.60%

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5 Other intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Software Licence	1.29	1.75
Customer Contract	-	0.97
	1.29	2.72

Particulars	Software Licence	Customer Contract	Total
Cost			
Balance as at April 1, 2022	4.75	3.67	8.42
Additions	1.37	-	1.37
Disposals	-	-	-
Balance as at March 31, 2023	6.12	3.67	9.79
Additions	0.37	-	0.37
Disposals	-	-	-
Balance as at March 31, 2024	6.49	3.67	10.16
Accumulated amortisation			
Balance as at April 1, 2022	3.86	0.38	4.24
Amortisation	0.51	2.32	2.83
Disposals	-	-	-
Balance as at March 31, 2023	4.37	2.70	7.07
Amortisation	0.83	0.97	1.80
Disposals	-	-	-
Balance as at March 31, 2024	5.20	3.67	8.87
Carrying amount as at March 31, 2023	1.75	0.97	2.72
Carrying amount as at March 31, 2024	1.29	-	1.29

6 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in equity instruments (fully paid-up) (Unquoted) At cost		
Investment in Subsidiaries		
Rane (Madras) International Holdings, B.V (RMIH)	-	0.15
(100 number of equity shares @ Euro 0.01 each (March 31, 2023: 20,000 number of equity shares @ Euro 1 each))		
Rane Automotive Components S. De. R. L. C. V.	-	-
(9,999 number of fixed capital membership interest @ Mxn Peso 1 each (March 31, 2023: Nil))		
Sub total	-	0.15
Investments at FVTPL		
Investment in Subsidiaries		
(5,48,72,000 number of NCRPS @ Euro 0.08 each (March 31, 2023: 4,07,97,000 number of NCRPS @ Euro 1 each)) in Rane (Madras) International Holdings, B.V (RMIH)	39.60	365.34
Less: Fair value change on investments recognised at FVTPL (Refer Note below)	(12.36)	(328.77)
Sub total	27.24	36.57
Fair value of financial guarantee given to subsidiaries	-	1.87

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Particulars	As at March 31, 2024	As at March 31, 2023
Investments in other equity shares (Amortised cost)		
Capsol Energy Private Limited	0.60	0.60
(6,00,000 (March 31, 2023: 6,00,000) number of equity shares @ Rs. 10 each)		
Shree MTK Textiles Private limited		
(2,700 (March 31, 2023: 2,700) number of equity shares @ Rs. 100 each)	0.86	0.86
Atria Windpower Private limited		
(4,62,000 (March 31, 2023: Nil) number of equity shares @ Rs. 10 each)	0.46	-
Total Non-Current Investments	29.16	**40.05**
Aggregate carrying value of unquoted investments	41.52	368.82
Aggregate amount of impairment / Fair value change on investments recognised at FVTPL	12.36	328.77

The Management had assessed the fair value change as at March 31, 2023 and had recorded a reduction in fair value amounting to INR 223.28 crores for the previous year being shown as an exceptional item. In order to carry out the above assessment, projections of future cash flows of the operating step-down subsidiary based on the most recent long-term forecasts, including selling price and related volumes. Refer Note 33.2 for the details of key assumptions and sensitivities surrounding those assumptions.

Pursuant to the approval of the Board of Directors and Shareholders of the Company, Rane Madras International Holdings B.V. (the Company's subsidiary) has sold its entire stake in LMCA (the Company's step-down subsidiary) on September 14, 2023 for a consideration of USD 4.9 million. Consequently, RMIH has carried out a reduction of capital in the NCRPS issued to the Company wherein the face value was reduced from Euro 1 per share to Euro 0.08 per share and equity share capital wherein the face value was reduced from Euro 1 per share to Euro 0.01 per share. Accordingly, the Company has recorded a fair value loss arising there from aggregating to Rs. 121.56 crores in the standalone financial statements as an exceptional item.

The Management has assessed the fair value change as at March 31, 2024 and has recorded an incremental reduction in the fair value amounting to INR 12.36 crores based on the recoverable values of the underlying assets in RMIH as at the balance sheet date primarily resulting from certain non-routine events.

7 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Loans receivable considered good - Unsecured		
- Loans to employees	0.34	0.31
Total	0.34	**0.31**

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

8 Other financial assets
(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security Deposits	6.91	5.98	-	1.17
Claims receivable	-	-	0.75	0.39
Interest receivable	-	-	0.49	0.34
Tooling related receivables	-	-	15.17	11.65
Dues from related parties (Refer note 35)	-	-	15.24	0.61
Derivative assets	-	-	0.22	-
Others	-	-	-	0.50
Total	6.91	**5.98**	31.87	**14.66**

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

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9 Income Tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	17.04	16.46
Less: Current tax payable for the year	-	(34.75)
Add: Taxes paid	24.85	35.33
Closing Balance	41.89	**17.04**

10 Other assets
(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital advances	13.61	3.96	-	-
Advances paid to suppliers	-	-	15.43	10.15
Advance to employees	-	-	0.23	0.40
Balance with statutory authorities	-	-	31.47	22.18
Deposit with government authorities	6.35	6.80	-	-
Export entitlement receivable	-	-	1.22	0.86
Prepaid expenses	7.10	6.86	12.19	8.28
Total	27.06	**17.62**	60.54	**41.87**

11 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials (including Raw materials in-transit amounting to INR 7.49 crores (March 31, 2023 - INR 2.80 crores))	64.31	67.89
Work-in-progress	23.06	25.59
Finished goods	105.52	96.44
Stores and spares	36.04	34.33
Goods in transit (Finished Goods)	11.41	7.76
Total	240.34	**232.01**

The Company has provided for Provision for inventory of INR 4.40 Crores (March 31, 2023 : INR 2.55 crores) for the year ended March 31, 2024.

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

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

12 Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
From Related parties		
Trade receivables considered good - unsecured	2.00	3.92
Trade receivable - credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	-	-
Sub Total	2.00	**3.92**
From Others		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	346.94	382.85
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	(9.38)	(5.88)
Sub Total	337.56	**376.97**
Total	339.56	**380.89**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	5.88	4.04
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	3.50	1.84
Bad debts written off/written back	-	-
Balance at the end of the year	9.38	**5.88**

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

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	301.76	42.87	3.57	0.41	-	0.33	348.94
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-
Total	301.76	42.87	3.57	0.41	-	0.33	348.94

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	339.12	45.48	1.01	0.61	0.14	0.41	386.77
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-
Total	**339.12**	**45.48**	**1.01**	**0.61**	**0.14**	0.41	**386.77**

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

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

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13 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks (including deposits with original maturity upto 3 months)		
In Current account	12.26	6.77
In EEFC account	7.03	7.10
Cash on hand	0.02	0.02
Total	19.31	**13.89**

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

Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents as above	19.31	13.89
Bank overdraft availed for cash management purposes	-	-
Total	19.31	**13.89**

14 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in earmarked accounts		
In unpaid dividend account	0.08	0.09
Total	0.08	**0.09**

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

15 Equity share capital

Particulars	As at March 31, 2024	As at March 31, 2023
AUTHORISED:		
Equity Shares:		
2,50,00,000 (March 31, 2023: 2,50,00,000) equity shares of Rs.10 each	25.00	25.00
Preference shares:		
1,05,00,000 (March 31, 2023: 1,05,00,000) preference shares of Rs.10 each	10.50	10.50
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,62,65,267 (March 31, 2023: 1,62,65,267) equity shares of Rs.10 each fully paid-up	16.27	16.27
	16.27	**16.27**

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

Particulars	March 31, 2024		March 31, 2023	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
Equity Shares of Rs.10 each fully paid up				
At the beginning of the year	1,62,65,267	16.27	1,62,65,267	16.27
Allotment of shares under preferential issue	-	-	-	-
At the end of the year	1,62,65,267	16.27	**1,62,65,267**	**16.27**

Rights, preferences and restrictions attached to Shares mentioned above :

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

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

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

Name of the Share holder	No of shares held as at			
	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

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

Name of the Share holder	No of shares held as at			
	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

15.4 Information regarding issue of shares in the last five years

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

15.5 Shares held by promoters at the end of the year

Promoter Name	March 31, 2024		March 31, 2023		Change during the year		Change during the previous year	
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of shares	% Change during the year	No. of shares	% Change during the year
Rane Holdings Limited	1,16,72,774	71.77%	1,16,72,774	71.77%	-	0.00%	-	0.00%
Shanthi Narayan	24,775	0.15%	24,775	0.15%	-	0.00%	-	0.00%
Raman T G G	28,000	0.17%	28,000	0.17%	-	0.00%	-	0.00%
Rathika R Sundaresan	20,000	0.12%	20,000	0.12%	-	0.00%	-	0.00%
Narayanaswamy Sundaresan (Legal Heir of Late. Chitra Sundaresan)	12,604	0.08%	12,604	0.08%	-	0.00%	-	0.00%
Geetha Raman Subramanyam	12,000	0.07%	12,000	0.07%	-	0.00%	-	0.00%
Ranjini R Iyer	12,000	0.07%	12,000	0.07%	-	0.00%	-	0.00%
Aditya Ganesh	8,483	0.05%	8,483	0.05%	-	0.00%	-	0.00%
Aparna Ganesh	7,851	0.05%	7,851	0.05%	-	0.00%	-	0.00%
Vanaja Aghoram	5,010	0.03%	5,010	0.03%	-	0.00%	-	0.00%
Malavika Lakshman	4,866	0.03%	4,866	0.03%	-	0.00%	-	0.00%
Rama R Krishnan	4,193	0.03%	4,193	0.03%	-	0.00%	-	0.00%
Rekha Sundar	1,060	0.01%	1,060	0.01%	-	0.00%	-	0.00%
Meenakshi Ganesh & L Ganesh	839	0.01%	839	0.01%	-	0.00%	-	0.00%
Harish Lakshman *	750	0.00%	750	0.00%	-	0.00%	-	0.00%
Vinay Lakshman *	750	0.00%	750	0.00%	-	0.00%	-	0.00%
Total promoter shareholding	**1,18,15,955**	**72.65%**	**1,18,15,955**	**72.65%**	**-**	**0.00%**	**-**	**0.00%**

*Percentage rounded off

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

16 Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve	185.89	185.89
Securities Premium	187.82	187.82
Amalgamation adjustment account	(0.20)	(0.20)
Capital redemption reserve	12.73	12.73
Retained Earnings	(141.19)	(155.40)
Total	245.05	**230.84**

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve		
Opening balance	185.89	185.89
Add: Addition during the year	-	-
Closing balance	185.89	**185.89**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium		
Opening balance	187.82	187.82
Add: Addition during the year	-	-
Closing balance	187.82	**187.82**

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Amalgamation Adjustment account		
Opening balance	(0.20)	(0.20)
Add: Addition during the year	-	-
Closing balance	(0.20)	**(0.20)**

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Redemption Reserve		
Opening balance	12.73	12.73
Add: Addition during the year	-	-
Closing balance	12.73	**12.73**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings		
Balance at the beginning of the year	(155.40)	(27.58)
Profit/(Loss) attributable to equity shareholders of the company	14.88	(126.54)
Other comprehensive income/(loss) arising from remeasurement of defined benefit obligation net of income tax	(0.67)	(1.28)
Balance at the end of the year	(141.19)	**(155.40)**

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

Balance of retained earnings at the end of the year includes cumulative other comprehensive loss arising from remeasurement of defined benefit obligations, net of tax, amounting to INR 4.94 crores as at March 31, 2024 (March 31, 2023: INR 4.27 crores)

The board has not declared dividend for the year ended March 31, 2024 and March 31, 2023.

17A Non-current borrowings

Particulars	Non-Current		Current Maturities (Refer Note 17B)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured - at amortised cost				
Term Loans				
- from banks	13.33	29.33	16.00	16.00
Sub Total	13.33	**29.33**	16.00	**16.00**
Secured - at amortised cost				
Term Loans				
- from banks	157.82	140.54	63.92	56.63
- from others	91.05	-	20.21	-
Sub Total	248.87	**140.54**	84.13	**56.63**
Total	262.20	**169.87**	100.13	**72.63**

Summary of borrowing arrangements

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2024 and 2023 are secured by a charge created on the Company's fixed assets both present and future (excluding immovable properties in Velachery).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

The terms of repayment of term loans are given below

As at March 31, 2024

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	1.48	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering Moratorium announced by RBI)
HDFC Bank - INR Long Term Loan	29.55	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	31.22	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	73.72	Repayable in 20 equal quarterly Instalments commencing from February 2024
Federal Bank - INR Long Term Loan	7.08	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
Exim Bank - INR Long Term Loan	79.32	Repayable in 16 equal quarterly Instalments commencing from October 2023 with 1 year of moratorium period
TATA Capital - INR Long Term Loan	60.24	Repayable in 16 equal quarterly Instalments commencing from August 2024 with 1 year of moratorium period
Bajaj Finance - INR Long Term Loan	50.39	Repayable in 48 equal monthly Instalments commencing from August 2024 with 1 year of moratorium period
Total	333.00	

Unsecured

Particulars	Balance	Terms of repayment
Axis Bank - INR Long Term Loan	29.33	Repayable in 48 equal monthly Instalments commencing from February 2022 with 1 year of moratorium period

The interest rate for INR loans range from 6.78% p.a to 9.80% p.a

As at March 31, 2023

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	5.27	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering Moratorium announced by RBI)
HDFC Bank - INR Long Term Loan	35.27	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	31.21	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	35.42	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
Exim Bank - INR Long Term Loan	90.00	Repayable in 16 equal quarterly Instalments commencing from October 2023 with 1 year of moratorium period
Total	197.17	

Unsecured

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

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

17B Current borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured - at amortised cost		
Loans from banks	60.00	45.00
Secured - at amortised cost*		
Loans from banks	278.37	237.03
Current maturities of long term borrowings	100.13	72.63
Total	438.50	**354.66**

The interest rate for INR loans range from 4.75% p.a to 10.76% p.a

*Secured loans include cash credit, packing credit, Buyers Credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2024 and 2023 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

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

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

Particulars	Short-term borrowings	Long-term borrowings (including current maturities)	Lease liabilities
Balance as at April 1, 2022	235.73	210.78	6.30
Changes from financing cash flows			
Proceeds from long term borrowings	-	90.00	-
Repayment of long term borrowings	-	(58.83)	-
Proceeds from short term borrowings	1,012.54	-	-
Repayment of short term borrowings	(965.61)	-	-
Payment of lease liabilities	-	-	(1.26)
Other changes			
New leases	-	-	0.38
Others	(0.66)	-	-
Interest expense	26.50	0.55	0.59
Interest paid	(26.47)	-	-
Balance as at March 31, 2023	**282.03**	**242.50**	**6.01**
Changes from financing cash flows			
Proceeds from long term borrowings	-	184.96	-
Repayment of long term borrowings	-	(66.65)	-
Proceeds from short term borrowings	1,765.35	-	-
Repayment of short term borrowings	(1,709.31)	-	-
Payment of lease liabilities	-	-	(0.97)
Other changes			
New leases	-	-	-
Others	-	-	-
Interest expense	47.77	2.07	0.57
Interest paid	(47.47)	(0.55)	-
Balance as at March 31, 2024	338.37	362.33	5.61

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	8.73	7.51	1.17	0.80
Provision for Gratuity (Refer note 36)	-	-	3.54	0.89
Provision for Warranty*	-	-	13.14	6.37
Total	8.73	**7.51**	17.85	**8.06**

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

Provision for leave encashment

The provision for leave encashment includes annual leave accrued.

Provision for Warranty

Refer Note 1.27

(ii) **Movements in provisions**

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

Particulars	Provision for leave encashment	Provision for Warranty
As at April 1, 2022	**7.73**	**4.35**
Charged to profit or loss	3.16	7.49
Amounts utilised during the year	(2.58)	(5.47)
As at March 31, 2023	**8.31**	**6.37**
Charged to profit or loss	4.62	29.60
Amounts utilised during the year	(3.03)	(22.83)
As at March 31, 2024	9.90	13.14

19 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Deferred income	3.34	1.86	0.92	0.54
Tooling advance received from customers	-	9.21	17.25	-
Statutory dues	-	-	6.99	7.60
Advances from customers	-	-	1.31	1.45
Total	3.34	**11.07**	26.47	**9.59**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

20 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Unclaimed dividends	0.08	0.09
Security deposits	1.10	1.08
Termination benefit under Voluntary Retirement Scheme	-	0.88
Payable to employees	15.93	13.65
Derivative Liability	-	2.28
Commission payable to chairman	0.79	-
Payables on purchase of fixed assets	4.10	1.02
Others^	21.25	20.37
Total	43.25	**39.37**

^ Comprises of dealer incentives and royalty payable amounting to INR 16.21 crores and INR 5.01 crores respectively as at March 31, 2024 and INR 16.64 crores and INR 3.64 crores respectively as at March 31, 2023.

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

21 Deferred tax asset/(liability) (net)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax asset/(liabilities)	110.58	4.82
Total	110.58	**4.82**

Movements in deferred tax assets/(liabilities)

Particulars	Provision for employee benefit expense	Depreciation	Other Provisions (towards Warranty, Bad and Doubtful debts, Inventory, etc.)	Others^	Total
As at April 1, 2022	3.31	(7.61)	2.37	-	(1.93)
Charged/(Credited)					
- to profit & loss	0.35	4.00	1.97	-	**6.32**
- to other comprehensive income	0.44	-	-	-	**0.44**
As at March 31, 2023	**4.10**	**(3.61)**	**4.34**	-	**4.82**
Charged/(Credited)					
- to profit & loss	0.40	4.29	7.75	93.09	105.53
- to other comprehensive income	0.23	-	-	-	0.23
As at March 31, 2024	4.73	0.68	12.09	93.09	110.58

^ Includes deferred taxes in respect of allowable business loss/ expenditure. (refer note below)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

Unrecognised deferred tax assets

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Fair value change on investments recognised at FVTPL	-	-	328.77	37.61

Details for amount and expiry of losses carried forward

Particulars	As at March 31, 2024	
	Amount	Expiry
AY 2024-25	369.89	AY 2032-33

Note:

As indicated in Note 6, consequent to the sale of the entire stake in LMCA, RMIH has carried out a reduction of capital in NCRPS and equity shares issued to the Company. The Company has determined that it is eligible to claim the tax benefit arising from the underlying losses and has accordingly recorded a Deferred Tax Asset of INR 113.34 crores in the current year. The Company has also obtained legal advise in this matter and believes that it will have sufficient future taxable profits to utilize this asset.

22 Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables - Micro enterprises and Small enterprises	2.30	2.52
Trade payables - Related Parties	13.70	14.38
Trade payables - Others	268.88	307.84
Total	284.88	**324.74**

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

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
(i) MSME	1.79	0.51	-	-	-	-	2.30
(ii) Others	133.36	129.03	0.38	0.13	-	0.13	263.03
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Sub total	135.15	129.54	0.38	0.13	-	0.13	265.33
Unbilled							19.55
Total							284.88

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues							
(i) MSME	0.67	1.85	-	-	-	-	2.52
(ii) Others	22.38	270.12	0.54	0.46	0.48	-	293.98
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
Sub total	**23.05**	**271.97**	**0.54**	**0.46**	**0.48**	**-**	**296.50**
Unbilled							28.24
Total							**324.74**

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

22.1 Micro and small enterprises :

Particulars	As at March 31, 2024	As at March 31, 2023
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on, remaining unpaid to suppliers under MSMED Act:		
- Principal	2.30	2.52
- Interest	-	-
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	-	-
- Interest	-	-
The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
- Principal	-	-
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year ((Previous year Rs.Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

23 Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sales of products - Revenue from contracts with customers	2,105.73	2,086.38
Other operating revenues		
- Scrap sales	23.62	26.63
- Job charges	0.10	0.20
- Export entitlements	12.80	10.34
Total	**2,142.25**	**2,123.55**

Reconciliation of revenue from sale of products

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross revenues	2,132.95	2,116.07
Less: Customer discounts	(27.22)	(29.69)
Net revenues from sale of products	**2,105.73**	**2,086.38**

23.1 **Disaggregation of revenue information**

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point of time by geography and offerings of the Company. The payment terms vary with each customer but do not constitute any significant financing component cost.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue by geography		
India	1,575.07	1,642.12
Outside India	530.66	444.26
Total revenue from contracts with customers	**2,105.73**	**2,086.38**
Revenue by offerings		
Manufactured goods		
Steering and Suspension Linkage Products, Steering Gear Products and Hydraulic Products	1,801.26	1,790.76
Diecasting products	226.71	218.42
Other Auto components	77.76	77.20
Total revenue from contracts with customers	**2,105.73**	**2,086.38**

23.2 **Trade Receivables**

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

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

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

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

23.3 Contract balances

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Receivables, included under trade receivables	339.56	380.89
Contract liabilities included under advance from customers	1.31	1.45

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

24 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	0.44	0.29
-- On Supplier payments	-	0.08
Net gain on foreign currency transactions	-	8.73
Net gain on disposal of property, plant and equipment	0.18	0.15
Other non-operating income		
Income relating to financial guarantees	0.02	0.59
Government grant income	0.59	1.30
Others	1.36	0.81
Total	**2.59**	**11.95**

25 Cost of materials consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	67.89	47.84
Add: Purchases	1,271.74	1,313.66
Less: Closing stock	(64.31)	(67.89)
Raw materials and Components consumed	**1,275.32**	**1,293.61**
Freight inward	22.21	21.38
Job work expenses	79.41	74.11
Total	**1,376.94**	**1,389.10**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock:		
Work-in-progress	25.59	20.98
Finished goods	104.20	97.45
Closing Stock:		
Work-in-progress	23.06	25.59
Finished goods	116.93	104.20
(Increase)/Decrease in inventories	**(10.20)**	**(11.36)**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

27 Employee benefit expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Bonus	185.40	169.34
Contribution to		
Provident and Other Funds (Refer Note 36)	7.26	6.29
Superannuation Fund (Refer Note 36)	0.50	0.56
National Pension Scheme	0.24	0.20
Gratuity Fund (Refer Note 36)	2.17	1.83
Staff Welfare Expenses	14.09	14.34
Total	209.66	**192.56**

28 Finance cost

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest costs on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	49.45	26.71
Other borrowing costs	0.39	0.34
Interest on lease liabilities (Refer note 39)	0.57	0.59
Total	50.41	**27.64**

29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on Property, plant and equipment (Note 2)	78.75	69.27
Depreciation on Right to use assets (Note 3)	0.53	0.90
Amortisation of Intangible assets (Note 5)	1.80	2.83
Total	81.08	**73.00**

30 Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power and Fuel	49.83	46.93
Rent expense	1.11	3.90
Travelling and Conveyance	13.42	11.24
Repairs and Maintenance		
- Buildings	3.74	4.45
- Plant and Machinery	21.50	19.48
- Others	2.24	2.07
Insurance	8.28	7.25
Rates and Taxes, excluding taxes on income	2.77	2.05
Auditors' Remuneration (Refer Note 30.1)	0.56	0.39
Directors' Sitting Fees	0.27	0.19
Professional Charges	20.62	15.56
Impairment loss on financial assets	3.50	1.84
Consumption of stores and spares	78.09	72.40
Packing materials consumed	61.17	53.40
Royalty and Technical Fees	1.45	1.49

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Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Information Systems	10.87	9.15
Commission to Chairman	0.88	-
Freight Outward and Storage charges	56.31	56.82
Advertisement and Sales Promotion	2.97	2.26
Product Warranty	11.00	7.49
Trade Mark fee	10.53	10.38
Printing and Stationery	1.72	1.26
Postage and Telecom expenses	0.88	0.84
Bank Charges	0.65	1.03
Corporate Social Responsibility Expenditure (Refer Note 30.2)	1.31	0.58
Net loss/(gain) on foreign currency transactions	3.81	-
Fair value loss on investments (Refer Note 6)	12.36	-
Miscellaneous Expenses	3.85	4.33
Total	385.69	**336.78**

Included in other expenses are the below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
30.1. Payment to auditors		
a) For audit	0.23	0.19
b) For taxation matters	0.01	0.01
c) For limited review	0.12	0.10
d) For certifications	0.15	0.04
e) For reimbursement of expenses	0.05	0.05
	0.56	**0.39**
30.2. Expenditure incurred for Corporate social responsibility		
(a) Amount required to be spent by the company during the year	1.31	0.57
(b) Amount approved by the board	1.31	0.57
(c) Amount spent during the year (in cash):		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
(a) Education	1.12	0.48
(b) Healthcare	0.03	0.05
(c) Community development	0.07	0.04
(c) Environment	0.09	-
	1.31	**0.57**
(d) Excess / (shortfall) at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall(if any)	NA	NA
(g) Details of Related Party Transactions	Refer note below	Refer note below
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

Note: The above expenditure includes contribution to Rane Foundation of Rs. 1.06 crores (March 31, 2023: Rs. 0.47 crores), over which the Company has significant influence (also refer note 35)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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31 Tax expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income taxes		
Income tax recognised in profit or loss		
Current tax		
In respect of current year	-	34.75
	-	34.75
Deferred tax		
In respect of current year	(105.53)	(6.32)
	(105.53)	(6.32)
Total income tax expense recognised in the profit or loss	(105.53)	**28.43**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income taxes		
Income tax recognised in other comprehensive income		
Deferred tax		
In respect of current year	(0.23)	(0.44)
Total income tax expense /(gain) recognised in other comprehensive income	(0.23)	**(0.44)**

Reconciliation of Effective tax rate:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) before tax	(90.65)	**(98.11)**
Add: Exceptional item - Fair value change of investment	-	**223.28**
	(90.65)	**125.17**
Income Tax expense calculated at 25.17% (2022-23: 25.17%)	(22.81)	31.50
Non deductible expense	0.03	(3.01)
Deductions under Chapter VI A	-	(0.06)
Impact due to change in estimates (Refere Not 21)	(82.75)	-
Income Tax expense recognised in profit or loss	(105.53)	**28.43**

The tax rate used for the 2023-24 and 2022-23 tax computation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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32 Accounting ratios

Ratio	Note No.	Numerator	Denominator	As at March 31, 2024	As at March 31, 2023	Variance (%)	Reasons
Current ratio	(a)	Current assets	Current liabilities	0.85	0.93	-8%	No significant change
Debt - equity ratio	(b)	Total debt	Total equity	2.68	2.12	26%	Due to incremental borrowings during the year
Debt service coverage ratio	(c)	Earnings available for debt services	Total interest and principal repayments	2.32	2.28	2%	No significant change
Return on equity ratio	(d)	Profit after tax	Average shareholders' equity	5.85%	-40.69%	-114%	Due to significant fair value loss recognised in relation to investments in previous year
Inventory turnover ratio	(e)	Cost of goods sold	Average inventory	6.38	7.11	-10%	No significant change
Trade Receivables turnover ratio	(f)	Sales	Average trade receivables	5.91	6.09	-3%	No significant change
Trade payables turnover ratio	(g)	Purchases	Average trade payables	4.96	4.98	0%	No significant change
Net capital turnover ratio	(h)	Revenue from operations	Working capital	(17.92)	(39.71)	-55%	Due to higher term loan repayment in next 12 months and increase in working capital loan
Net profit ratio	(i)	Profit after tax	Revenue from operations	0.69%	-5.96%	-112%	Due to significant fair value loss recognised in relation to investments in previous year
Return on Capital employed	(j)	Earnings before interest and taxes	Capital employed	10.57%	20.14%	-48%	Due to incremental borrowings during the year
Return on Investment	(k)	Income generated from invested funds	Average invested funds in treasury investments	-	-	0%	Not applicable

(a) **Current ratio**

Particulars	As at March 31, 2024	As at March 31, 2023
Current assets	692.04	683.72
Current liabilities	811.59	737.19
	0.85	0.93

(b) **Debt Equity Ratio**

Particulars	As at March 31, 2024	As at March 31, 2023
Total Debt	700.7	524.53
Total equity	261.32	247.11
	2.68	2.12

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(c) Debt Service Coverage Ratio

Particulars	As at March 31, 2024	As at March 31, 2023
Profit after tax	14.88	(126.54)
Add: Exceptional item(non cash item - fair value reduction on overseas investment)	121.56	223.28
Add: Depreciation and amortisation expense	81.08	73.00
Add: Finance costs	50.41	27.64
Earnings available for debt services	267.93	**197.38**
Interest payment on borrowings	48.02	26.47
Lease payments	0.97	1.26
Principal repayments	66.65	58.83
Total interest and principal repayments	115.64	**86.56**
	2.32	**2.28**

(d) Return on equity (ROE)

Particulars	As at March 31, 2024	As at March 31, 2023
Profit after tax	14.88	(126.54)
Average share holders' equity (Refer note below)	254.22	311.02
	5.85%	

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

(e) Inventory turnover ratio

Particulars	As at March 31, 2024	As at March 31, 2023
Cost of Goods sold	1,506.00	1,503.54
Average Inventory	236.18	211.41
	6.38	**7.11**

Note:

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

(f) Trade Receivables turnover ratio

Particulars	As at March 31, 2024	As at March 31, 2023
Turnover	2,129.45	2,113.21
Average trade receivables	360.23	347.03
	5.91	**6.09**

Note:

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

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(g) **Trade payables turnover ratio**

Particulars	As at March 31, 2024	As at March 31, 2023
Purchases	1,512.62	1,534.95
Average creditors	304.81	308.22
	4.96	**4.98**

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

(h) **Net capital turnover ratio**

Particulars	As at March 31, 2024	As at March 31, 2023
Revenue from operations	2,142.25	2,123.55
Working capital	(119.55)	(53.47)
	(17.92)	**(39.71)**

Note: Working capital = Current assets - Current liabilities

(i) **Net profit ratio**

Particulars	As at March 31, 2024	As at March 31, 2023
Profit after tax	14.88	(126.54)
Revenue from operations	2,142.25	2,123.55
	0.69%	**(5.96%)**

(j) **Return on Capital employed**

Particulars	As at March 31, 2024	As at March 31, 2023
Earnings before interest and taxes	101.67	155.42
Capital employed	962.02	771.64
	10.57%	**20.14%**

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

(k) **Return on Investment**

Particulars	As at March 31, 2024	As at March 31, 2023
Income generated from invested funds	-	-
Average invested funds in treasury investments	-	-
	-	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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33 Financial instruments

33.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company.

The Company's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Company, maintain the Company as a going concern and maintain optimal structure.

The Company determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Company monitors the capital structure on the basis of debt to equity of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Debt *	700.70	524.53
Cash and bank balances	(19.39)	(13.98)
Net debt	681.31	510.55
Total Equity**	261.32	247.11
Net debt to equity ratio	**2.61**	**2.07**

*Debt is defined as long-term and short-term borrowings.

** Equity includes all capital and reserves of the Company.

33.2 Fair value measurement

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Financial instrument by category

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Loans	-	-	0.34	-	-	0.31
Investments	27.24	-	1.92	38.44	-	1.46
Trade Receivables	-	-	339.56	-	-	380.89
Cash and Cash Equivalents	-	-	19.31	-	-	13.89
Bank balances other than above	-	-	0.08	-	-	0.09
Other Financial assets	-	-	38.56	-	-	20.64
Derivative assets	0.22	-	-	-	-	-
Total Financial Assets	**27.46**	**-**	**399.77**	**38.44**	**-**	**417.28**
Financial Liabilities						
Borrowings	-	-	700.70	-	-	524.53
Trade Payables	-	-	284.88	-	-	324.74
Lease Liability	-	-	5.61	-	-	6.01
Other Financial liabilities	-	-	43.25	-	-	37.09
Derivative Liability	-	-	-	2.28	-	
Total Financial Liabilities	**-**	**-**	**1,034.44**	**2.28**	**-**	**892.37**

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The below tables summarise the fair value hierarchy of the financial assets/liabilities

i. The fair value hierarchy of financial assets and liabilities carried at fair value

Particulars	As at March 31, 2024	As at March 31, 2023	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets				
Investments	27.24	38.44	3	31 March 2023 - The fair value is estimated considering the discounted cash flow projections calculated using discount rates adjusted for company specific risk. 31 March 2024 - The fair value is estimated considering the net assets value approach.
Derivative Assets	0.22	-	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	27.46	**38.44**		
Financial liabilities				
Derivative liabilities	-	2.28	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	-	**2.28**		

Level 3 Fair Values

Reconciliation of Level 3 Fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	FVTPL Securities
Balance as at April 1, 2022	172.05
Investments made during the year	76.04
Net change in Fair value (Unrealised)	(223.28)
Net loss on restatement	13.63
Balance as at March 31, 2023	38.44
Investments made during the year	129.48
Net change in Fair value (Unrealised)	(133.92)
Net loss on restatement	(6.30)
Balance as at March 31, 2024	27.24

The key assumptions used in the estimation of the fair value changes are set out below. The values assigned to the key assumptions is based on the management's assessment.

Particulars	As at March 31, 2024	As at March 31, 2023
Discount rate	7.70%	12.00% to 15.50%
Terminal value growth rate	-	2.50%
Revenue growth rate	-	12.20%

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Sensitivity analysis

For the fair values of FVTPL securities, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	Impact on Profit/(Loss)	
	Increase	Decrease
March 31, 2023		
Annual revenue growth rate (1% movement)	4.39	(2.99)
Terminal value growth rate (1% movement)	0.62	(0.62)
Risk adjusted discount rate (1% movement)	(0.88)	0.88
March 31, 2024		
Annual revenue growth rate (1% movement)	-	-
Terminal value growth rate (1% movement)	-	-
Risk adjusted discount rate (1% movement)	-	-

*** Fair Value Hierarchy (Level 1,2,3)**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

33.3 Financial risk management objectives

The Company's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

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

The Company shall follow a consistent policy of mitigating foreign exchange risk by entering into appropriate hedging instruments as considered from time to time. Depending on the future outlook on currencies, the Company may keep the exposures un-hedged or hedge only a part of the total exposure. The Company shall not enter into a foreign exchange transaction for speculative purposes i.e. without any actual /anticipated underlying exposures."

(a) Market risk

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

Foreign Currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	In equivalent INR (Crores)	In Foreign Currency (Crores)	In equivalent INR (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
Financial Assets				
USD				
Trade Receivable	94.19	1.13	112.38	1.37
Commision Receivables	-	-	0.61	0.01
Fair value of financial guarantee given to subsidiaries	-	-	1.87	0.03
Other financial assets	15.24	0.19	-	-
Bank Balances	6.49	0.08	6.72	0.08
EUR				
Non Convertible Non Cumulative Redeemable Preference Shares	27.24	0.44	36.57	4.08
Trade Receivable	21.13	0.23	22.20	0.25
Bank Balances	0.54	0.01	0.37	0.00
Sub Total	**164.83**		**180.72**	
Financial Liabilities				
USD				
Trade Payable	(6.39)	(0.08)	(5.62)	(0.07)
Capital Creditors	(0.06)	(0.00)	-	-
EUR				
Trade Payable	(1.05)	(0.01)	(0.73)	(0.01)
Capital creditors	-	-	(0.07)	(0.00)
CNY				
Trade Payable	(0.01)	(0.00)	-	-
GBP				
Trade Payable	-	-	(0.01)	(0.00)
JPY				
Trade Payable	-	-	(0.10)	(0.02)
Sub Total	**(7.51)**		**(6.53)**	
Net Balance	**157.32**		**174.19**	

Foreign Currency sensitivity analysis

The Company is mainly exposed to US Dollar and EURO currencies. The following table details the Company's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Company where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be an opposite impact on the profit or equity.

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Particulars	Currency USD impact		Currency EUR impact		Currency JPY impact	
	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Impact on profit or loss for the year						
- Increase by 5%	5.49	5.70	3.03	19.36	-	0.00
- Decrease by 5%	(5.49)	(5.70)	(3.03)	(19.36)	-	(0.00)
Impact on equity as at the end of the reporting period						
- Increase by 5%	4.11	4.26	2.27	14.49	-	0.00
- Decrease by 5%	(4.11)	(4.26)	(2.27)	(14.49)	-	(0.00)

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Company to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Company also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to two year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Foreign currency (In Crores)	In Rs. (In Crores)	Foreign currency (In Crores)	In Rs. (In Crores)
Forward Contracts				
In USD	1.32	110.42	1.45	118.27
In Euro	0.26	23.40	0.28	24.86
Total forwards		133.82		**143.13**

The foreign exchange forward contracts mature within 24 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than 1 month	26.81	25.20
Later than 1 month but not later than 3 months	50.91	49.76
Later than 3 months upto 6 months	56.10	68.17
Total	133.82	**143.13**

As at March 31, 2024, the Company does not have any foreign currency forward contracts which are designated as hedge instruments and hence all gains and losses in respect of such contracts have been recorded in the statement of profit and loss.

Interest rate risk

The Company adopts appropriate policies to ensure that the interest rate risk exposure is minimised. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

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Exposure to interest rate risk

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate instruments		
Financial assets	-	-
Financial liabilities	700.70	524.53

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Impact on equity		Impact on Profit/(Loss)	
	Increase	Decrease	Increase	Decrease
March 31, 2024				
Variable rate instruments	(5.24)	5.24	(7.01)	7.01
March 31, 2023				
Variable rate instruments	(3.93)	3.93	(5.25)	5.25

The Company's variable rate instruments are benchmarked to the Bank's base rate or repo rate and hence fair value approximates to the carrying amounts.

(b) **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, loans, investments, deposits with banks and financial institutions and trade and other financial receivables. The carrying amount of financial assets represents the maximum credit risk.

Particulars	Net carrying amount	
	As at March 31, 2024	As at March 31, 2023
India	226.43	274.39
USA	38.95	49.90
Europe	26.26	20.20
Rest of the world	57.30	42.28

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

As at March 31, 2024

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.18%	303.11	0.54	No
1-30 days past due	1.92%	26.86	0.52	No
31-60 days past due	6.55%	7.76	0.51	No
61-90 days past due	12.28%	2.71	0.33	No
90-120 days past due	65.15%	1.40	0.37	No
More than 120 days past due	100.00%	7.11	7.11	No

As at March 31, 2023

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.19%	339.12	0.63	No
1-30 days past due	1.19%	28.49	0.34	No
31-60 days past due	4.83%	3.52	0.17	No
61-90 days past due	6.94%	6.20	0.43	No
90-120 days past due	45.66%	5.76	0.63	No
More than 120 days past due	100.00%	3.68	3.68	No

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

The estimated gross carrying amount at default is Rs. 0.90 Crores (March 31, 2023: Rs. 0.90 Crores) for loans, security deposits and other financial assets. Consequently there are no expected credit loss recognised for these financial assets.

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

(ii) **Expected credit loss for trade receivables under simplified approach**

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Company has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on : a) Past trend of outstanding receivables over a rolling period of past 24 months and b) actual amount of outstanding receivables as on the reporting date.

(c) **Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

Liquidity and interest risk

The following information provides details of the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The below information has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay and includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024

Particulars	Less than 1 year	1-5 years	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	468.50	294.42	-	762.92	700.70
Trade Payables	284.88	-	-	284.88	284.88
Lease liability	0.71	1.88	10.38	12.97	5.61
Other Financial liabilities	43.25	-	-	43.25	43.25
Total	797.34	296.30	10.38	1,104.02	1,034.44

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

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

The Company exceeded the threshold on certain covenants regarding financial ratios as at March 31, 2024. However, it has obtained waivers and / or revised thresholds from banks / financial institutions.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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34 Segment reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the company as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry. All the manufacturing facilities are located in India. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

34.1 Product wise break up - Please refer note no. 23.1

34.2 Geographical information

The Company's revenue from contract with customers by location of operations and information about its non current assets** by location of operations are detailed below.

Particulars	Revenue from contract with customers		Non - current assets**	
	Year ended March 31, 2024	Year ended March 31, 2023	Year ended March 31, 2024	Year ended March 31, 2023
India	1,575.07	1,642.12	471.57	426.38
Rest of the world	530.66	444.26	-	-
Total	2,105.73	2,086.38	471.57	426.38

The geographical information considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

** Non- current assets are used in the operations of the Company to generate revenues both in India and outside India. Non-current assets exclude financial instruments, income tax assets and deferred tax assets.

34.3 Information about major customers

The company is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic Products, Die casting products and other auto components for transportation industry.

The Company has three major customers (greater than 10% of total sales) and Revenue from sale of auto components to these major customers aggregated to Rs. 716.30 crores (March 31, 2023 - Rs. 690.82 crores).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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35 Related party disclosures

(a)	List of related parties where control exists	
	Holding Company	Rane Holdings Limited (RHL)
	Subsidiary	Rane (Madras) International Holdings B.V (RMIH), Netherlands
		Rane Light Metal Castings Inc. (LMCA), USA (till Sep 14, 2023)
		Rane Automotive Components S. DE. R.L De. C.V. (RACM)
	Other related parties where transaction have taken place during the year	
(b)	Key Management Personnel	L Ganesh, Chairman (till Mar 31, 2024)
		Harish Lakshman, Vice chairman (till Mar 31, 2024), Chairman (w.e.f Apr 1, 2024)
		Gowri Kailasam, Chief Executive Officer
(c)	Relative of KMP	L Lakshman
		Aditya Ganesh
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
(e)	Fellow Subsidiaries	Rane Engine Valve Limited (REVL)
		Rane Holdings America Inc. (RHAI)
		Rane Brake Lining Limited (RBL)
		Rane Holdings Europe GmbH (RHEG)
		Rane t4u Private Limited (RT4U) (till July 19, 2023)
(f)	Associate / joint venture of the Holding Company	ZF Rane Automotive India Private Limited(Formerly known as Rane TRW Steering Systems Private Limited(RTSS))(ZRAI)
		Rane NSK Steering Systems Private Limited(RNSS)
(g)	Post employment benefit plan of the entity	Rane Madras Employee Gratuity Fund (RMEGF)
		Rane Madras Employee Senior Executives Pension Fund (RMESEPF)

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Details of related party transactions:

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Associate / joint venture of the Holding company		Post employment benefit plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Transaction during the year																		
Sales																		
Sales-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	9.86	13.27	-	-	9.86	13.27
Sales-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Sales-RACM	-	-	0.26	-	-	-	-	-	-	-	-	-	-	-	-	-	0.26	-
Other income																		
Interest on loan - RMIH	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	-
Sale of machinery (Gross)																		
Sale of machinery - RACM	-	-	14.67	-	-	-	-	-	-	-	-	-	-	-	-	-	14.67	-
Purchases																		
Purchases RBL	-	-	-	-	-	-	-	-	-	-	1.50	2.31	-	-	-	-	1.50	2.31
Purchases REVL	-	-	-	-	-	-	-	-	-	-	2.43	2.04	-	-	-	-	2.43	2.04
Purchases-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	3.11	2.05	-	-	3.11	2.05
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	43.23	33.44	-	-	43.23	33.44
Purchase of Machinery-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of PPE kits, masks-ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
Expenses																		
Professional Charges - RHL	9.32	7.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.32	7.30
Software Expenses - RHL	5.88	5.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.88	5.17
Training Expenses - RHL	0.61	0.65	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.61	0.65
Trademark Fee - RHL	10.53	10.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.53	10.37
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	3.59	3.08	-	-	-	-	3.59	3.08
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	-	-	0.93	0.83	-	-	-	-	0.93	0.83
Donation-Rane Foundation	-	-	-	-	-	-	-	-	1.06	0.47	-	-	-	-	-	-	1.06	0.47
Miscellaneous Expenses - RHL	0.71	0.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.71	0.61
Testing charges - RNSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-	0.32
Service fee - RT4U	-	-	-	-	-	-	-	-	-	-	0.04	0.01	-	-	-	-	0.04	0.01
Reimbursement of expenses to RHL	0.23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.23	-
Reimbursement of Expenses to RBL	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Reimbursement of Expenses to RHAI	-	-	-	-	-	-	-	-	-	-	0.58	-	-	-	-	-	0.58	-
Reimbursement of Expenses from REVL	-	-	-	-	-	-	-	-	-	-	0.23	0.23	-	-	-	-	0.23	0.23
Reimbursement of Expenses from RBL	-	-	-	-	-	-	-	-	-	-	1.15	1.09	-	-	-	-	1.15	1.09
Reimbursement of Expenses to ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-

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Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Associate / joint venture of the Holding company		Post employment benefit plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Reimbursement of Expenses from ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.35	0.22	-	-	0.35	0.22
Reimbursement of Expenses from RNSS	-	-	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Capital Expenditure																		
Licence Fee	0.04	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.02
Loans, investments and guarantees																		
Investments in NCRPS of subsidiary-RMIH	-	-	129.01	76.04	-	-	-	-	-	-	-	-	-	-	-	-	129.01	76.04
Repayment of interest - RMIH	-	-	(0.04)	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.04)	-
Impairment loss	-	-	133.92	223.28	-	-	-	-	-	-	-	-	-	-	-	-	133.92	223.28
SBLC availed/(repaid)- RBL-LMCA	-	-	(57.48)	19.62	-	-	-	-	-	-	-	-	-	-	-	-	(57.48)	19.62
SBLC availed/(repaid)- EXIM-LMCA	-	-	(89.50)	(5.15)	-	-	-	-	-	-	-	-	-	-	-	-	(89.50)	(5.15)
SBLC commission income - LMCA	-	-	0.02	0.59	-	-	-	-	-	-	-	-	-	-	-	-	0.02	0.59
Contributions to post employment benefit plan																		
Contributions to RMEGF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.43	2.51	0.43	2.51
Contributions to RMESEPF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.72	0.55	0.72	0.55
Remuneration to KMP																		
Commission to Chairman	-	-	-	-	0.88	-	-	-	-	-	-	-	-	-	-	-	0.88	-
Salaries - Ms. Gowri Kailasam	-	-	-	-	1.83	1.52	-	-	-	-	-	-	-	-	-	-	1.83	1.52
Salaries - Mr. Aditya Ganesh	-	-	-	-	-	-	0.94	0.75	-	-	-	-	-	-	-	-	0.94	0.75
Sitting Fees	-	-	-	-	0.09	0.06	-	-	-	-	-	-	-	-	-	-	0.09	0.06

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Details of related party transactions:

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Associate / joint venture of the Holding company		Post employment benefit plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Balance as at year end March 31,																		
Payables																		
RHL	4.68	4.99	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4.68	4.99
Mr L Ganesh	-	-	-	-	0.88	-	-	-	-	-	-	-	-	-	-	-	0.88	-
REVL	-	-	-	-	-	-	-	-	-	-	0.24	0.07	-	-	-	-	0.24	0.07
RBL	-	-	-	-	-	-	-	-	-	-	0.53	0.74	-	-	-	-	0.53	0.74
RHAI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RHEG	-	-	-	-	-	-	-	-	-	-	0.01	0.06	-	-	-	-	0.01	0.06
ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	0.86	0.65	-	-	0.86	0.65
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	7.38	7.87	-	-	7.38	7.87
Receivables																		
RACM	-	-	15.51	-	-	-	-	-	-	-	-	-	-	-	-	-	15.51	-
REVL	-	-	-	-	-	-	-	-	-	-	0.03	0.05	-	-	-	-	0.03	0.05
RHAI	-	-	-	-							0.27	0.17	-	-	-	-	0.27	0.17
RHEG	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02
ZRAI	-	-	-	-	-	-	-	-	-	-	-	-	1.70	3.68	-	-	1.70	3.68
LMCA	-	-	-	0.61	-	-	-	-	-	-	-	-	-	-	-	-	-	0.61
Other balances																		
Investment in equity shares-RMIH	-	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-	-	-	0.15
Investment in NCRPS of subsidiary-RMIH	-	-	39.60	365.34	-	-	-	-	-	-	-	-	-	-	-	-	39.60	365.34
FMV of financial guarantee given	-	-	-	1.87	-	-	-	-	-	-	-	-	-	-	-	-	-	1.87
SBLC - RBL - LMCA	-	-	-	57.48	-	-	-	-	-	-	-	-	-	-	-	-	-	57.48
SBLC - EXIM- LMCA	-	-	-	89.50	-	-	-	-	-	-	-	-	-	-	-	-	-	89.50

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Remuneration to Key Management personnel

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Short term benefits paid	2.47	1.31
Post employment benefits		
Other Long term benefits paid	-	0.09
Gratuity	0.10	0.10
Leave encashment	0.14	0.02
Total	2.71	**1.52**

36 Employee benefit plans

A. **Defined contribution plans**

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

The major defined contribution plans operated by the Company are as below:

(a) **Provident fund**

In accordance with the Employee’s Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees’ salary.

The contributions, as specified under the law, are made to the Government.

(b) **Superannuation fund**

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

The Company contributes up to 15% of the eligible employees’ salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of Rs. 7.76 Crores (for the year ended March 31,2023: Rs. 6.85 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2024, contributions of Rs. 1.22 Crores (as at March 31, 2023: Rs. 1.12 Crores) due in respect to 2023-24 (2022-23) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. **Defined benefit plans**

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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C. **Details of defined benefit obligation and plan assets:**

(a) **Gratuity**

The Company has an obligation towards gratuity governed by the Payment of Gratuity Act, 1972, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

(i) **Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening defined benefit obligation	27.46	25.05
Current Service Cost	2.12	1.93
Provision assumed on account of business combination (Refer note 45)	-	-
Interest cost	1.88	1.73
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from experience adjustments	0.63	1.46
Benefits paid	(2.66)	(2.71)
Closing defined benefit obligation	**29.43**	**27.46**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening fair value of plan assets	26.57	25.20
Interest income	1.83	1.84
Remeasurement gain/(loss)		
Return on plan assets (excluding amounts included in net interest expense)	(0.27)	(0.26)
Contributions from the Employer	0.43	2.51
Benefits paid	(2.67)	(2.72)
Closing fair value of plan assets	**25.89**	**26.57**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	29.43	27.46
Less: Fair value of plan assets	(25.89)	(26.57)
Funded status	**3.54**	**0.89**
Net (asset)/liability arising from defined benefit obligation	**3.54**	**0.89**
Current	**3.54**	**0.89**
Non Current	**-**	**-**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service Cost :		
Current Service cost	2.12	1.93
Net interest Expense	0.05	(0.10)
Components of defined benefit costs recognised in profit or loss	2.17	**1.83**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.63	1.46
Actuarial (gains) / losses arising from changes in financial assumptions	0.27	0.26
Actuarial (gains) / losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	0.90	**1.72**
Total	3.07	**3.55**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount Rate	6.97%	7.20%
Expected Rate of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Attrition Rate		
Executives and Staff	6.20%	6.01%
Operators	1.82%	2.09%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

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Sensitivity Analysis

Changes in assumption		Valuation as at	
		March 31, 2024	March 31, 2023
A.	Discount Rate + 50 BP	7.47%	7.70%
	Defined Benefit Obligation	28.30	26.41
	Increase/(Decrease)	1.13	1.05
B.	Discount Rate - 50 BP	6.47%	6.7%
	Defined Benefit Obligation	30.65	28.60
	Increase/(Decrease)	(1.22)	(1.14)
C.	Salary Escalation Rate +50 BP	8.5% pa and 6.5% pa	8.5% pa and 6.5% pa
	Defined Benefit Obligation	30.67	28.62
	Increase/(Decrease)	(1.24)	(1.16)
D.	Salary Escalation Rate -50 BP	7.5% pa and 5.5% pa	7.5% pa and 5.5% pa
	Defined Benefit Obligation	28.27	26.37
	Increase/(Decrease)	1.16	1.09
E.	Attrition Rate +50 BP	6.70% & 2.32%	6.51% pa and 2.59% pa
	Defined Benefit Obligation	29.46	27.51
	Increase/(Decrease)	(0.03)	(0.05)
F.	Attrition Rate -50 BP	5.70% & 1.32%	5.51% pa and 1.59% pa
	Defined Benefit Obligation	29.41	27.42
	Increase/(Decrease)	0.02	0.04

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 8.8 years (2023-8.8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	1.81	1.89
Year 2	4.71	2.95
Year 3	2.76	3.29
Year 4	2.80	2.78
Year 5	2.38	3.24
Next 5 Years	13.87	12.44

The Company expects to pay INR 3.50 crores in contributions to its defined benefit plans in 2024-25.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

37 Earnings per share:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Basic Earnings per share (in Rs.)	9.15	(77.80)
Diluted Earnings per share (in Rs.)	9.15	(77.80)

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) for the year	14.88	(126.54)
Earnings used in the calculation of basic earnings per share	14.88	**(126.54)**

Particulars	In Nos. Year ended March 31, 2024	In Nos. Year ended March 31, 2023
(a) Number of equity Shares of Rs. 10 each outstanding at the end of the year	1,62,65,267	1,62,65,267
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,62,65,267	1,62,65,267

Diluted Earnings per share

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Earnings used in the calculation of basic earnings per share	14.88	(126.54)
Earnings used in the calculation of diluted earnings per share	14.88	(126.54)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	In Nos. Year ended March 31, 2024	In Nos. Year ended March 31, 2023
Weighted average number of equity shares used in the calculation of basic earnings per share	1,62,65,267	1,62,65,267
Effect of Convertible share warrants	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,62,65,267	1,62,65,267

38 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries other than in the ordinary course of business.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

(iv) The Company has not received any fund from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(vii) The Company has no transactions with struck off companies during the year.

(viii) Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.

(ix) The Company has not been declared as wilful defaulters by any bank or financial institution or government or any government authority

(x) The Company has not revalued its property, plant and equipment(including Right of use assts)/ intangible assets/ both during the current/previous year.

(xi) The Company has not entered into any scheme of arrangements as per sections 230 to 237 of the Companies Act, 2013.

(xii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

(xiii) Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital loans with banks or financial institutions along with reconciliation and reasons for discrepancies is as follows:

Quarter	Name of banks	Particulars of information submitted	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade receivables	368.73	356.70	12.03	The amount reported excludes debtors more than 90 days
		Trade payables	307.25	210.87	96.38	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
Sep-23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade receivables	349.57	336.68	12.89	The amount reported excludes debtors more than 90 days
		Trade payables	316.24	203.94	112.30	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Quarter	Name of banks	Particulars of information submitted	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Dec-23	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade receivables	397.85	389.75	8.10	The amount reported excludes debtors more than 90 days.
		Trade payables	340.88	212.19	128.69	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
Mar-24	(i) RBL Bank Limited (ii) Kotak Mahindra Bank (iii) HDFC Bank (iv) DBS Bank India Limited (v) Standard chartered Bank (vi) Axis Bank (vii) ICICI Bank (viii) State Bank of India	Trade receivables	339.56	369.43	(29.87)	The amount reported excludes debtors more than 90 days.
		Trade payables	284.88	175.34	109.54	Unbilled expenses and bills acceptance which are grouped under trade payables are not considered in the quarterly return / statement submitted to bank
		Inventory	240.34	238.01	2.33	Inventory amount as per books includes certain items of inventory that were not grouped in Inventory for return submission

Notes:

1. Impact considered through cumulative information provided for the financial year during quarterly returns/ statements submission except as at March 31, 2024.
2. Quarterly information requirements for individual banks may be different for similar line items.
3. The above information is based on the revised returns/ statements filed.

39 Leases

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

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

a) **Break-up of current and non-current lease liabilities :**

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	0.64	0.77
Non-current lease liabilities	4.97	5.24
Total	5.61	6.01

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

b) Movement in Lease liabilities :

The following is the movement in lease liabilities:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening balance	6.01	**6.30**
Additions	-	0.38
Finance costs accrued during the period	0.57	0.59
Deletions	-	-
Payment of Lease liabilities	(0.97)	(1.26)
Closing balance	5.61	**6.01**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	0.71	0.80
One to five years	1.88	2.14
More than five years	10.38	10.67
Total	12.97	**13.61**

d) Amounts recognized in profit or loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	0.57	0.59
Expenses relating to short- term leases recognised in other expenses	1.11	3.90

e) Amounts recognized/disclosed in Cash flow statement

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflows for leases included under financing activities	0.97	1.26

40 Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent Liabilities		
Claims against the Company not acknowledged as debt		
- Income Tax matters under appeal	17.87	17.87
- Central Excise, Service Tax and Sales tax matters under appeal	11.51	8.98
- Labour related matters under appeal	4.75	5.06
Total	34.13	**31.91**

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

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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

40A Guarantees and commitment

Particulars	As at March 31, 2024	As at March 31, 2023
Guarantees and Letter of credit		
-Standby Letter of credit	-	146.98
Commitments		
-Estimated amount of contracts remaining to be executed on capital account and not provided for	28.63	14.34

41 Events after the reporting date

The Company has evaluated subsequent events from the balance sheet date through May 09, 2024, the date on which the standalone financial statements were authorised for issue, and determined that there are no items to disclose.

42 Exceptional item

Exceptional items include Rs. 20.35 crores which primarily comprise of provision for one time warranty related costs, merger related expenses and expenditure towards Voluntary Retirement Scheme (year ended March 31, 2023 : Rs. 2.61 crores). Also Refer Note 6.

43 Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Amount	Purpose
Investment Made (Gross carrying amount)		
Rane (Madras) International Holdings B.V. (WOS)	-	Equity Investment
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	39.60	For Equity investment of RMIH to LMCA, Payment of EXIM Bank loan interest, meeting local establishment expenses

44 Merger with Rane Brake Linings Ltd. (RBL) and Rane Engine Valves Limited (REVL):

The Board of Directors of the Company in their meeting held on February 9, 2024, considered and approved the proposed scheme of amalgamation ("Scheme") wherein Rane Brake Lining Limited ("RBL") and Rane Engine Valve Limited ("REVL") would merge into the Company 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.

45 There were certain whistle blower complaints in respect of which detailed investigation is ongoing. However, based on procedures performed by the Company at this stage, the Company believes that underlying allegations have no material impact on these financial statements.

46 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 09, 2024.

In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

INDEPENDENT AUDITOR'S REPORT

TO
The Members of
RANE (MADRAS) LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Rane (Madras) Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of [report/reports] of the other auditor(s) referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matter(s)

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

Revenue recognition

See Note 23 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue recognition involves identification of contracts with customers, identification of distinct performance obligations, determination of transaction price and the basis used to recognise revenue at a point in time. Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods underlying the particular performance obligation is transferred to the customer. Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. Therefore, there may be a possibility for revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter, the following key audit procedures were performed by us: • Assessed the compliance of the Company's revenue recognition accounting policies with applicable accounting standards. • Evaluated the design and implementation of the key internal financial controls with respect to the timing of revenue recognition and tested the operating effectiveness of such controls on a sample basis. • Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents including shipping document, customer acknowledgement, dispatch notes, etc. • Performed testing for samples of revenue transactions recorded closer to the year-end by verifying underlying documents, to determine the accuracy of the period in which revenue was recognized. • Performed testing of non-standard journal entries posted in revenue.

Recognition and recoverability of deferred tax assets

See Note 21 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Company has recorded deferred tax assets of INR 113.34 crores relating to tax losses consequent to reduction/write down of investments in the context of the sale of the stake in the underlying step-down subsidiary: The recognition and recoverability of these deferred tax assets involves: • assessment of the underlying tax laws; • dependency on the generation of sufficient future taxable income that can be set off against the losses recognized and hence, involves significant judgement. These judgements could change over time as the matter progresses depending on experience on actual assessment proceedings by tax authorities and other judicial precedents. The Company has obtained legal advice on the matter. Recognition and recoverability of deferred tax assets has been identified as a key audit matter due to the high degree of judgment required and significance of the amounts involved.	In view of the significance of the matter, the following key audit procedures were performed by us: • Assessed the compliance of the Company's accounting policies with applicable accounting standards. • Evaluated the design and implementation of the key internal financial controls with respect to the measurement and recognition of deferred tax assets and tested the operating effectiveness of such controls. • Involved our tax specialists to assist us in evaluating the appropriateness of the nature of the tax losses that can be set off against the future profits. • Evaluated the appropriateness of the key assumptions used in the projections considered for estimating future taxable profits. • Performed sensitivity analysis on the key assumptions used in the evaluation. • Assessed the adequacy of the disclosures in the standalone financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's directors' report, but does not include the financial statements and auditor's report(s) thereon.

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

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

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entity or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the consolidated financial statements of which we are the independent auditors.

  For the other entity included in the consolidated financial statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

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

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

Other Matters

a. We did not audit the financial statements of a step-down subsidiary, whose financial statements reflect total assets (after consolidation adjustments) of Rs. Nil as at 31 March 2024, total revenues (after consolidation adjustments) of Rs.96.70 crores and net cash flows (after consolidation adjustments) amounting to Rs. 9.47 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements has been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this step-down subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid step-down subsidiary is based solely on the report of the other auditor.

   Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the report(s) of the other auditor.

b. The financial information of two subsidiaries, whose financial information reflects total assets (after consolidation adjustments) of Rs.61.57 crores as at 31 March 2024, total revenues (after consolidation adjustments) of Rs. Nil and net cash flows (after consolidation adjustments) amounting to Rs. 3.10 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

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

2 A. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditor on consolidated financial statements of such subsidiary, as was audited by other auditor, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 2 April 2024 and 10 April 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

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

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group. Refer Note 40 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2024.

c. The following are the instances of delay in transferring amounts, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2024:

Year	Date of Declaration of dividend	Amount outstanding in unclaimed dividend account	Due date for transfer to Investor Education Protection Fund	Actual date of transfer to Investor Education Protection Fund
2017	23 January 2017	INR 95,564	1 March 2024	2 May 2024

d. (i) The management of the Holding Company has represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 38

(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) The management of the Holding Company has represented to us and the other auditors of such subsidiary companies that, to the best of its knowledge and belief, as disclosed in the Note 38.

(iv) to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

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

f. Based on our examination which included test checks, except for the instances mentioned below, the Holding Company has used accounting softwares for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has been operating throughout the year for all relevant transactions recorded in the respective softwares. the feature of audit trail was not enabled at the database layer of the accounting software for the entire period. the feature of audit trail was enabled at the application layer for the accounting softwares used for maintaining books of accounts except for certain fields relating to payroll, inventory, production records and price change system relating to sales / purchases.

The feature of audit trail was not enabled at the application layer of the accounting software for direct data changes performed by users having privileged access.

Further, for the periods where audit trail (edit log) facility was enabled for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

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

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

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:24203491BKCQPE8220

Place: Chennai
Date: 09 May 2024

Annexure A to the Independent Auditors' report

on the Consolidated Financial Statements of Rane (Madras) Limited for the year ended 31 March 2024

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

(xxi) In our opinion and according to the information and explanations given to us, following company incorporated in India and included in the consolidated financial statements, has unfavourable remarks, qualification or adverse remarks given by its auditors in their report under the Companies (Auditor's Report) Order, 2020 (CARO):

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Rane (Madras) Limited	L65993TN2004PLC052856	Holding Company	Clause (ii)(b) Clause (ix)(e) Clause (xi)(c)

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:24203491BKCQPE8220

Place: Chennai
Date: 09 May 2024

Annexure B to the Independent Auditors' report

on the consolidated financial statements of Rane (Madras) Limited for the year ended March 31, 2024

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

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

Opinion

In conjunction with our audit of the consolidated financial statements of Rane (Madras) Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company , as of that date.

In our opinion, the Holding Company, has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

S Sethuraman
Partner
Membership No.: 203491
ICAI UDIN:24203491BKCQPE8220

Place: Chennai
Date: 09 May 2024

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2024

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

S.No	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A.	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	2	420.73	473.25
	(b) Capital work-in-progress	2	27.34	28.57
	(c) Right of use assets	3	26.51	8.96
	(d) Goodwill	4	4.63	4.63
	(e) Other intangible assets	5	1.29	2.72
	(f) Financial assets			
	(i) Investments	6	1.92	1.46
	(ii) Other financial assets	7	7.31	17.60
	(g) Deferred tax asset (net)	21	110.58	4.82
	(h) Income tax assets (net)	8	41.89	17.03
	(i) Other non-current assets	9	27.06	25.95
	Total non-current assets		669.26	584.99
	Current assets			
	(a) Inventories	10	240.57	254.19
	(b) Financial assets			
	(i) Trade receivables	11	339.30	419.61
	(ii) Cash and cash equivalents	12	23.53	28.48
	(iii) Bank balances other than (ii) above	13	0.08	0.09
	(iv) Loans	14	0.09	0.38
	(v) Other financial assets	7	28.51	14.60
	(c) Other current assets	9	67.82	46.58
	Total current assets		699.90	763.93
	TOTAL ASSETS		1,369.16	1,348.92
B.	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	15	16.27	16.27
	(b) Other equity	16	239.69	225.38
	Total Equity		255.96	241.65
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17A	262.20	244.38
	(ii) Lease liabilities	39	23.55	7.82
	(b) Provisions	18	8.73	18.39
	(c) Other non-current liabilities	19	3.34	11.07
	Total non-current liabilities		297.82	281.66
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	17B	438.50	413.74
	(ii) Lease liabilities	39	4.17	2.12
	(iii) Trade payables	22	-	-
	(a) Total outstanding dues of micro enterprises and small enterprises		2.30	2.52
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		282.85	344.61
	(iv) Other financial liabilities	20	43.24	41.89
	(b) Other current liabilities	19	26.47	12.67
	(c) Provisions	18	17.85	8.06
	Total current liabilities		815.38	825.61
	Total liabilities		1,113.20	1,107.27
	TOTAL EQUITY AND LIABILITIES		1,369.16	1,348.92
	Material accounting policies	1		

See accompanying notes forming part of the Consolidated Financial Statements
In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

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

S.No	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	Revenues from operations	23	2,238.95	2,354.44
II	Other income	24	4.58	17.86
III	**Total income (I+II)**		2,243.53	**2,372.30**
IV	**Expenses:**			
	Cost of materials consumed	25	1,419.42	1,497.98
	Changes in inventories of finished goods and work-in-progress	26	(11.30)	(11.19)
	Employee benefits expense	27	251.37	289.63
	Finance costs	28	56.37	33.64
	Depreciation and amortisation expense	29	91.03	96.60
	Other expenses	30	433.34	395.52
	Total expenses (IV)		2,240.23	**2,302.18**
V	**Profit/(Loss) before exceptional Items (III-IV)**		3.30	**70.12**
VI	**Exceptional items**	2 & 32	105.81	11.66
VII	**Profit/(Loss) before tax (V-VI)**		(102.51)	**58.46**
VIII	**Tax expense:**			
	(1) Current tax	31	-	34.76
	(2) Deferred tax	21 & 31	(105.53)	(6.32)
			(105.53)	**28.44**
IX	**Profit/(Loss) for the year (VII-VIII)**		3.02	**30.02**
	Other comprehensive income/(loss)			
	A. Items that will not be reclassified to statement of profit and loss			
	Remeasurements of the defined benefit liability/(asset)		(0.90)	0.89
	Income tax relating to items that will not be reclassified to statement of profit and loss		0.23	0.44
			(0.67)	1.33
	B. Items that will be reclassified to statement of profit and loss			
	Exchange differences on translation of foreign operations		11.96	(17.84)
			11.96	**(17.84)**
X	**Total other comprehensive income/(loss) (A+B)**		11.29	(16.51)
XI	**Total comprehensive income/(loss) for the year (IX+X)**		14.31	**13.51**
XII	**Earnings Per Equity Share (Nominal value per share Rs.10)**			
	(a) Basic (In Rs.)	37	1.85	18.46
	(b) Diluted (In Rs.)	37	1.85	18.46
	Material accounting policies	1		

See accompanying notes forming part of the Consolidated Financial Statements
In terms of our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024

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

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A.	Cash flow from operating activities		
	Profit/(Loss) for the year	3.02	30.02
	Adjustments for :		
	Finance costs	56.37	33.64
	Interest income	(2.82)	(0.37)
	Net gain on disposal of property, plant and equipment	(0.18)	(0.15)
	Government grant income	(0.59)	(1.30)
	Unrealised exchange (gain)/loss	(1.70)	(14.33)
	Impairment loss on financial assets	18.05	1.06
	Impairment of property, plant and equipment	-	9.05
	Depreciation and amortisation of non-current assets	91.03	96.60
	Income tax expense	(105.53)	28.44
	Loss on disposal of step-down subsidiary	85.46	-
		143.11	**182.66**
	Movements in working capital :		
	(Increase) / decrease in trade receivables	47.82	(62.23)
	(Increase) / decrease in inventories	(8.83)	(41.55)
	(Increase) / decrease in other current/non current financial assets	3.29	20.68
	(Increase) / decrease in other current / non current assets	(25.73)	(3.07)
	(Increase) / decrease in loans receivable	0.03	0.35
	Increase / (decrease) in trade payables	(32.02)	25.55
	Increase / (decrease) in long term provisions	0.99	(0.45)
	Increase / (decrease) in short term provisions	9.13	1.27
	Increase / (decrease) in other current / non current financial liabilities	0.87	1.33
	Increase / (decrease) in other non current liabilities	(9.21)	(2.33)
	Increase / (decrease) in other current liabilities	15.46	0.77
	Cash generated from operations	**144.91**	**122.98**
	Income tax paid	(24.85)	(35.34)
	Net cash (used in) / generated by operating activities	**120.06**	**87.64**
B.	Cash flow from investing activities		
	Interest received	0.29	1.35
	Investments in unquoted equity shares	(0.46)	-
	Proceeds from disposal of subsidiary	16.84	-
	Payments for property, plant and equipment	(137.16)	(108.32)
	Proceeds from disposal of property, plant and equipment	1.22	0.90
	Bank Balances not considered as cash and cash equivalents	0.01	0.04
	Net cash (used in) / generated by investing activities	**(119.26)**	**(106.03)**

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
C.	Cash flow from financing activities		
	Proceeds from long term borrowings	184.96	90.00
	Repayment of long term borrowings	(156.43)	(69.27)
	Proceeds from short term borrowings	1,765.35	1,105.73
	Repayment of short term borrowings	(1,752.14)	(1,056.39)
	Interest paid	(53.44)	(32.40)
	Payment of lease liabilities	(2.22)	(2.55)
	Net cash (used in)/ generated by financing activities	(13.92)	**35.12**
	Net increase in cash and cash equivalents	(13.12)	16.73
	Cash and cash equivalents at the beginning of the year (Refer note 12)	27.02	10.29
	Adjustment related to disposal of subsidiary	9.48	-
	Cash and Cash equivalents at the end of the year (Refer note 12)	23.38	**27.02**
	Material accounting policies (Note 1)		

See accompanying notes forming part of the Consolidated Financial Statements
In terms of our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED MARCH 31, 2024

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

A. Equity share capital

Description	Amount
As at April 1, 2022	**16.27**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2022	16.27
Changes in Equity Share Capital	-
As at March 31, 2023	**16.27**
Changes in equity share capital due to prior period errors	-
Restated balance as at April 1, 2023	16.27
Changes in Equity Share Capital	-
As at March 31, 2024	16.27

B. Other equity

Description	Reserves and Surplus						Items of OCI		Total equity
	General reserve	Securities premium	Capital redemption reserve	Amalgamation adjustment account	Retained earnings	Total reserves and surplus	Exchange difference on translation of foreign operation	Total items of OCI	
Balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(166.01)	220.23	(8.36)	(8.36)	211.87
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2022	185.89	187.82	12.73	(0.20)	(166.01)	220.23	(8.36)	(8.36)	211.87
Profit/(loss) for the year	-	-	-	-	30.02	30.02	-	-	30.02
Other comprehensive income/(loss) for the year	-	-	-	-	0.89	0.89	(17.84)	(17.84)	(16.95)
Income tax on OCI Items	-	-	-	-	0.44	0.44	-	-	0.44
Balance as at March 31, 2023	185.89	187.82	12.73	(0.20)	(134.66)	251.58	(26.20)	(26.20)	225.38
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Restated balance as at April 1, 2023	185.89	187.82	12.73	(0.20)	(134.66)	251.58	(26.20)	(26.20)	225.38
Profit/(loss) for the year	-	-	-	-	3.02	3.02	-	-	3.02
Other comprehensive income/(loss) for the year	-	-	-	-	(0.90)	(0.90)	11.96	11.96	11.06
Income tax on OCI Items	-	-	-	-	0.23	0.23	-	-	0.23
Total comprehensive income for the year	185.89	187.82	12.73	(0.20)	(132.31)	253.93	(14.24)	(14.24)	239.69
Balance as at March 31, 2024	185.89	187.82	12.73	(0.20)	(132.31)	253.93	(14.24)	(14.24)	239.69

Material accounting policies 1

See accompanying notes forming part of the Consolidated Financial Statements
In terms of our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Summary of material accounting policies, critical judgements and Key estimates

1 General Information

Rane (Madras) Limited (The "Holding Company" or "Company") is a public limited group incorporated under the provisions of the Companies Act, 1956, in India with its registered office in Chennai, Tamilnadu, India. The Holding Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group') for the year ended 31 March 2024. The group is engaged in manufacture of Steering and Suspension Linkage Products, Steering Gear Products and High Precision Aluminium Die Casting Products. The Group is a significant supplier to major manufacturers of passenger cars, utility vehicles and Farm tractors across the Globe and as such operates in a single reportable business segment of 'components for transportation industry'. The Group including its subsidiaries have seven manufacturing facilities in India at Tamilnadu, Puducherry, Karnataka, Uttarakhand and Telangana.

The investment in Rane Light Metal Casting Inc. (held by Rane (Madras) International Holdings, B.V, Netherlands, a Wholly Owned Subsidiary of the group ('RMIH' / 'WOS') formed to hold strategic overseas investments of the Group), was sold during the year.

During the year, the Group had set up a new subsidiary - Rane Automotive Compoenents S. de R.L. de C.V. in Mexico and is currently in the process of setting up a new manufacturing facility.

Material Accounting Policies

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

1.1 Statement of Compliance

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

1.2 Basis of preparation and presentation

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

Items	Measurement basis
Certain financial assets and liabilities (including forward contracts)	Fair value
Defined benefit liability / plan assets	Fair Value of plan assets less the present value of the defined benefit obligation / plan assets

The Group classifies an asset as current asset when:

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

All other assets are classified as non-current.

A liability is classified as current when –

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

All other liabilities are classified as non-current.

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

Functional and presentation currency

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

Use of judgements and estimates

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Key accounting estimates, assumptions and judgements

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Recoverability of deferred tax assets - Note 21

Whether an arrangement contains a lease and lease classification - Note 39

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

(a) Measurement of defined benefit obligations, key actuarial assumptions – Note 36

(b) Measurement and likelihood of occurrence of provisions and contingencies – Notes 18 and 40

(c) Recognition of deferred tax assets/liabilities – Note 21

(d) Fair value of financial instruments through profit and loss account – Note 6

(e) Impairment of Intangible assets and goodwill – Note 4

(f) Measurement of Lease liabilities and Right of Use Asset (ROUA) – Notes 3 and 39

Basis of consolidation

Business Combination

In accordance with Ind AS 103, the Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in profit or loss. Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in profit or loss.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date. Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The material accounting policies are set out below :

1.3 Property, plant and equipment

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

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

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing

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the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

Transition to Ind AS

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

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Depreciation

Depreciation is recognised using straight-line method so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values on pro rata basis on the basis of the estimated life determined based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Category of assets	Management estimate of useful Life (in years)	Useful life as per Schedule II (in years)
Buildings (other than factory building)	60 Years	60 Years
Factory buildings	30 Years	30 Years
Plant and equipment (including moulds)	1-15 Years	15 years
Vehicles	4-5 Years	6 years
Furniture and fixtures	5 Years	10 years
Office equipment (other than computers)	3 Years	5 years
Computers, Server and networks	3-6 Years	3-6 years

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

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

1.4 Impairment of non-financial assets

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

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

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

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

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

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1.5 Intangible assets

Goodwill

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

Other Intangible assets

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

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

Derecognition of intangible assets

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

Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

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

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

1.6 Borrowings and Borrowing costs

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

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

1.7 Leasing

The Group's lease asset classes primarily consist of leases for land, buildings and vehicles. The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

As a Lessee

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

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

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

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

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

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

Short-term leases and leases of low-value assets

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

1.8 Inventories

Inventories are valued at the lower of cost on weighted average basis and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

The comparison of cost and net realisable value is made on an item-by-item basis.

1.9 Cash and cash equivalents

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

Cash Flow Statement

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

1.10 Foreign currency transactions and translations

(i) Transactions and balances

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

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

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(ii) Foreign operations

The assets and liabilities of foreign operations (i.e. subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the functional currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal.

1.11 Revenue Recognition

The Group derives revenues primarily from sale of Steering and Suspension Linkage Products, Steering Gear Products, Hydraulic prodicts, Die casting products & other auto components. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers (i.e. when products are delivered to customers or when delivered to a carrier, as the case may be) at an amount that reflects the consideration that the Group expects to receive in exchange for those products or services. Revenue is reduced for estimated discounts and other similar allowances.

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

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

The refund liability is included in other current liabilities (see Note 19) and the right to recover returned goods is included in inventory (see Note 10)

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

A trade receivable without a significant financing component is initially measured at the transaction price.

1.12 Other income

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

1.13 Government grants

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

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

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

1.14 Employee benefits

(i) Short - Term employee benefits

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

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(ii) Defined Contribution Plans

Provident Fund

The Group's defined contribution plans comprise of contrubution to provident fund and National Pension Scheme in India and contribution to 401k plan and savings plan in the United States. A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined Benefit Plan

The Group's defined benefit plan includes gratuity in India and pension plan in the Unites States. A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

(iv) Other Long term employee benefits

Compensated Absence

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The group's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. That benefit is discounted to determine its present value The obligation is measured annually by a qualified actuary using the projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the group does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

1.15 Expenditure on Corporate Social Responsibility (CSR)

The Group accounts the expenditure incurred towards Corporate Social Responsibility as required under the Act as a charge to the statement of profit and loss.

1.16 Research and Development expenses

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

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

1.17 Provisions and Contingent Liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

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

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

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

Provisions for Warranty

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

1.18 Taxation

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

Current tax

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

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

Deferred tax

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

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed

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to be recovered through sale, and the Group has not rebutted this presumption.

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

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

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

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

1.19 Financial instruments

i. Recognition and initial measurement

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

A financial asset (except trade receivables and contract asset) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Business model assessment

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. **Derecognition**

Financial assets

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

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

Financial liabilities

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

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

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Interest rate benchmark reform

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

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

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

iv. Offsetting

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

Impairment of financial instruments

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

The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:

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

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

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

Loss allowances for trade receivables are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are credit losses that result from all possible default events over expected life of financial instrument. The Group follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Group to track changes in credit risk. The Group calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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

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

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

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

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). Expected credit losses are discounted at the effective interest rate of the financial asset.

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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Write-off

The gross carrying amount of a financial asset is written off when the group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the group's procedures for recovery of amounts due.

Financial and Corporate guarantee contracts

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

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

· the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

· the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

1.20 Fair Value

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

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

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

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

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

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

1.21 Earnings Per Share

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

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

1.22 Dividend

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

1.23 Segment reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Group as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry.

1.24 Recent pronouncements

As on date of this Standalone Financial statements, Ministry of Corporate Affairs has not issued any standards/amendments to the accounting standards which are effective from 1st April 2024.

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2 Property, Plant and Equipment and Capital Work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Freehold land	26.07	26.07
Lease hold improvements	-	5.09
Buildings	93.18	84.03
Plant and equipment	297.55	353.86
Furniture and fixtures	0.49	0.74
Office equipment	3.22	3.29
Vehicles	0.22	0.17
Sub total	420.73	**473.25**
Capital work-in-progress	27.34	28.57
Total	448.07	**501.82**

Cost

Particulars	Freehold land	Lease hold land Improvement	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Balance as at April 1, 2022	26.07	5.88	96.58	689.93	4.61	16.44	0.93	840.44
Additions	-	1.11	12.32	90.05	0.05	2.15	-	105.68
Disposals	-	-		(0.74)	-	-	(0.13)	(0.87)
Effect of foreign currency exchange differences	-	0.52	-	15.15	-	0.25	-	15.92
Balance as at March 31, 2023	26.07	7.51	108.90	794.39	4.66	18.84	0.80	961.17
Additions	-	-	13.74	117.11	0.07	2.14	0.13	133.19
Disposals	-	-		(5.97)	-	(0.01)	-	(5.98)
Deletions on account of disposal of subsidiary (Refer note 32)	-	(8.07)	-	(213.51)	-	(3.28)	-	(224.86)
Effect of foreign currency exchange differences	-	0.56	(0.01)	0.36	-	0.03	-	0.94
Balance as at March 31, 2024	26.07	-	122.63	692.38	4.73	17.72	0.93	864.46

Accumulated depreciation

Particulars	Freehold land	Lease hold land Improvement	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipment	Vehicles	Total
Balance as at April 1, 2022	-	1.75	20.57	339.73	3.56	13.70	0.68	379.99
Disposals	-	-	-	-	-	-	(0.12)	(0.12)
Depreciation expense	-	0.51	4.30	84.74	0.36	1.64	0.07	91.62
Effect of foreign currency exchange differences	-	0.16	-	7.01	-	0.21	-	7.38
Impairment loss recognised in profit or loss	-	-	-	9.05	-	-	-	9.05
Balance as at March 31, 2023	-	2.42	24.87	440.53	3.92	15.55	0.63	487.92
Disposals	-	-	-	(4.93)	-	(0.01)	-	(4.94)
Depreciation expense	-	0.17	4.59	80.82	0.32	1.77	0.08	87.75
Deletions on account of disposal of subsidiary (Refer note 32)	-	(2.62)	-	(121.60)	-	(2.82)	-	(127.04)
Effect of foreign currency exchange differences		0.03	(0.01)	0.01	-	0.01	-	0.04
Balance as at March 31, 2024	-	(0.00)	29.45	394.83	4.24	14.50	0.71	443.73
Carrying amount as at March 31, 2023	26.07	5.09	84.03	353.86	0.74	3.29	0.17	473.25
Carrying amount as at March 31, 2024	26.07	0.00	93.18	297.55	0.49	3.22	0.22	420.73

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Notes:

1) Refer note 17 for assets pledged as securities for borrowings
2) Refer note 40A for capital commitments
3) All the title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the leasee) are held in the name of the Company.
4) Office Equipments includes Computers, Server and networks.

Capital work in progress

Movement in capital work in progress is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
As at the beginning of the year	28.57	18.39
Additions / (Capitalisations)	(1.23)	10.18
As at the end of the year	27.34	28.57

Ageing details:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in progress	27.06	0.28	-	-	27.34
Projects temporarily suspended	-	-	-	-	-
Total	27.06	0.28	-	-	27.34
As at March 31, 2023					
Projects in progress	25.71	2.86	-	-	28.57
Projects temporarily suspended	-	-	-	-	-
Total	**25.71**	**2.86**	**-**	**-**	**28.57**

The Company does not have any capital work-in-progress that has exceeded its cost compared to its original plan. Capital work-in-progress includes certain projects whose completion is overdue. Expected completion schedule of such projects are as follows :

CWIP	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Projects in progress					
Capacity enhancement project	1.21	-	-	-	1.21
Integration project	-	-	-	-	-
Others	7.82	-	-	-	7.82
Projects temporarily suspended	-	-	-	-	-
Total	9.03	-	-	-	9.03
As at March 31, 2023					
Projects in progress	-	-	-	-	-
Capacity enhancement project	3.20	-	-	-	3.20
Integration project	3.55	-	-	-	3.55
Others	0.70				0.70
Projects temporarily suspended	-	-	-	-	-
Total	**7.45**	**-**	**-**	**-**	**7.45**

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Impairment assessment

As at March 31, 2023, on account of changes in market conditions and rising cost of capital, the Group had assessed the recoverable amount (higher of value in use and fair value less cost of disposal) of the net assets of Rane Light Metal Castings Inc, ('LMCA') the step-down subsidiary of the holding company which represents a single cash generating unit (CGU). Based on such assessment, the Group recorded an impairment charge of Rs. 9.05 crores as an exceptional item in its consolidated financial statements during the year ended March 31, 2023. In order to carry out the above assessment, Group had considered projections of future cash flows of the entity based on the most recent long-term forecasts, including selling price / related volumes and fair market value of property, plant and equipment, as applicable.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

In percent	As at March 31, 2024	As at March 31, 2023
Discount rate	-	12.00% to 15.50%
Terminal value growth rate	-	2.50%
Revenue growth rate	-	12.20%

Sensitivity analysis:

For the impairment of assets, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Particulars	Impact on Profit/(Loss)	
	Increase	Decrease
March 31, 2023		
Annual revenue growth rate (1% movement)	4.39	(2.99)
Terminal value growth rate (1% movement)	0.62	(0.62)
Risk adjusted discount rate (1% movement)	(0.88)	0.88

3 Right of use assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Right of use assets	26.51	8.96
	26.51	8.96

Particulars	Land	Buildings	Vehicles	Plant and Machinery	Office equipment	Others	Total
Cost							
Balance as at April 1, 2022	5.36	1.28	0.88	2.48	1.56	0.18	11.74
Additions	-	0.38	-	2.54	-	-	2.92
Derecognition	-	(1.27)	-	-	(0.54)	-	(1.81)
Effect of foreign currency exchange differences	-	-	-	0.27	0.12	-	0.39
Balance as at March 31, 2023	5.36	0.39	0.88	5.29	1.14	0.18	13.24
Additions	-	22.16	-	0.79	-	-	22.95
Derecognition	-	-	-	-	-	-	-
Deletions on account of disposal of subsidiary (Refer note 32)	-	-	-	(6.13)	(1.15)	-	(7.28)
Effect of foreign currency exchange differences	-	-	-	0.05	0.01	-	0.06
Balance as at March 31, 2024	5.36	22.55	0.88	-	-	0.18	28.97

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Accumulated depreciation

Particulars	Land	Buildings	Vehicles	Plant and Machinery	Office equipment	Others	Total
Balance as at April 1, 2022	0.49	0.66	0.62	0.92	0.92	0.08	**3.69**
Depreciation expense	0.20	0.55	0.13	0.85	0.40	0.02	**2.15**
Derecognition	-	(1.19)	-	-	(0.55)	-	**(1.74)**
Effect of foreign currency exchange differences	-	-	-	0.10	0.09	-	0.19
Balance as at March 31, 2023	**0.69**	**0.02**	**0.75**	**1.87**	**0.86**	**0.10**	**4.29**
Depreciation expense	0.20	0.56	0.12	0.47	0.11	0.02	1.48
Derecognition	-	-	-	-	-	-	-
Deletions on account of disposal of subsidiary (Refer note 32)	-	-	-	(2.35)	(0.95)	-	(3.30)
Effect of foreign currency exchange differences	-	-	-	0.01	(0.02)	-	(0.01)
Balance as at March 31, 2024	0.89	0.58	0.87	-	-	0.12	2.46
Carrying amount as at March 31, 2023	**4.67**	**0.37**	**0.13**	**3.42**	**0.28**	**0.08**	**8.95**
Carrying amount as at March 31, 2024	4.47	21.97	0.01	-	-	0.06	26.51

4 Goodwill

Particulars	As at March 31, 2024	As at March 31, 2023
Cost	4.63	4.63
Accumulated impairment losses	-	-
Total	4.63	**4.63**

Particulars		Goodwill
Cost		
Balance as at April 1, 2022		**4.63**
Additions		-
Impairment loss		-
Balance as at March 31, 2023		**4.63**
Additions		-
Impairment loss		-
Balance as at March 31, 2024		4.63
Carrying amount as at March 31, 2023		**4.63**
Carrying amount as at March 31, 2024		4.63

Impairment tests for goodwill

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

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Goodwill relates to the following cash generating units

CGU	As at March 31, 2024	As at March 31, 2023
Light Metal Casting India (LMCI)	4.48	4.48
Others	0.15	0.15

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

Key assumptions used for value-in-use calculations

4.1 In respect of LMCI:

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

Particulars	As at March 31, 2024	As at March 31, 2023
Post tax discount rate	13.52%	16.83%
Terminal value growth rate	7.05%	7.00%
Budgeted average EBITDA growth rate	36.37%	34.18%

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

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

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

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately INR 156.87 crores (March 31, 2023: INR 112.04 crores). Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

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

Impairment testing for CGUs containing goodwill	Change required for carrying amount to equal recoverable amount	
Particulars	**As at March 31, 2024**	**As at March 31, 2023**
Pre tax discount rate	16.06%	18.12%
Budgeted average EBITDA growth rate	23.01%	31.60%

5 Other Intangible Assets

Particulars	As at March 31, 2024	As at March 31, 2023
Carrying amounts of:		
Software Licence	1.29	1.75
Customer Contracts	-	0.97
Total	1.29	**2.72**

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Particulars	Software Licence	Customer Contracts	Total
Cost			
Balance as at April 1, 2022	**4.76**	**3.67**	**8.43**
Additions	1.37	-	1.37
Disposals	-	-	-
Balance as at March 31, 2023	**6.13**	**3.67**	**9.80**
Additions	0.37	-	0.37
Disposals	-	-	-
Balance as at March 31, 2024	6.50	3.67	10.17
Accumulated amortisation			
Balance as at April 1, 2022	**3.87**	**0.38**	**4.25**
Additions	0.51	2.32	2.83
Disposals	4.38	2.70	7.08
Balance as at March 31, 2023	**0.83**	**0.97**	**1.80**
Additions	5.21	3.67	8.88
Disposals	1.75	0.97	2.72
Balance as at March 31, 2024	1.29	-	1.29

6 Investments

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in equity instruments (fully paid-up) (Unquoted) at Amortised cost		
Capsol Energy Private Limited		
(6,00,000 (March 31, 2023: 6,00,000) number of equity shares @ Rs. 10 each)	0.60	0.60
MTK Textiles Private limited		
(2,700 (March 31, 2023: 2,700) number of equity shares @ Rs. 100 each)	0.86	**0.86**
Atria Wind power private limited		
(4,62,000 (March 31, 2023: Nil) number of equity shares @ Rs. 10 each)	0.46	-
Total Non-Current Investments	1.92	**1.46**
Aggregate carrying value of unquoted investments	1.92	1.46
Aggregate amount of impairment in value of investments	-	-

7 Other financial assets
(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Security deposits	7.31	8.09	-	1.17
Margin money deposits	-	1.64	-	-
Interest receivable	-	-	0.49	0.34
Tooling related receivables #	-	-	15.17	12.20
Derivative assets	-	7.87	0.22	-
Others (Claims receivable, Deferred consideration, etc.) *	-	-	12.63	0.89
Total	7.31	**17.60**	28.51	**14.60**

Net of loss allowance amounting to Rs. 0.90 crores (31 March 2023 : Rs. 0.90 crores).
* Net of loss allowance amounting to Rs. 14.55 crores (31 March 2023 : Nil).

Note:

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

8 Income tax assets (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	17.03	16.45
Less: Current tax payable for the year	-	(34.76)
Add: Taxes paid	24.85	35.34
Less: Deletions on account of disposal of subsidiary (Refer note 32)	0.01	-
Closing Balance	41.89	**17.03**

9 Other assets
(Unsecured and considered good, unless otherwise stated)

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Capital advances	13.61	6.38	-	-
Advances paid to suppliers	-	-	18.21	10.86
Advances to employees	-	-	0.23	0.40
Balance with statutory authorities	-	-	35.98	22.18
Deposit with government authorities	6.35	6.80	-	-
Export Entitlements (RODTEP)	-	-	1.22	0.86
Prepaid expenses	7.10	6.86	12.18	8.63
Others	-	5.91	-	3.65
Total	27.06	**25.95**	67.82	**46.58**

10 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw materials (including Raw materials in-transit amounting to INR 7.49 crores (March 31, 2023 - INR 2.80 crores))	64.32	70.10
Work-in-progress	23.06	33.89
Finished goods	105.52	98.18
Stores and spares	36.26	44.26
Goods in transit (Finished Goods)	11.41	7.76
Total	240.57	**254.19**

The Group has provided for Provision for inventory of INR 4.40 Crores (March 31, 2023: INR 2.55 crores) for the year ended March 31, 2024.

The mode of valuation of inventories has been stated in note 1.8

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

11 Trade Receivables

Particulars	As at March 31, 2024	As at March 31, 2023
From Related parties		
Trade Receivables Considered good - Unsecured	1.73	3.92
Trade receivable - Credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	-	-
Sub Total	1.73	**3.92**
From Others		
Trade Receivables Considered good - secured	-	-
Trade Receivables Considered good - unsecured	346.95	421.72
Receivable which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Less: Loss allowance (expected credit loss allowance)	(9.38)	(6.03)
Sub Total	337.57	**415.69**
Total	339.30	**419.61**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Balance at the beginning of the year	6.03	4.92
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	18.05	1.06
Foreign exchange adjustment	(14.55)	0.05
Less: Deletions on account of disposal of subsidiary (Refer note 32)	(0.15)	-
Balance at the end of the year	9.38	**6.03**

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	301.51	42.87	3.57	0.41	-	0.32	348.68
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-
Total	301.51	42.87	3.57	0.41	-	0.32	348.68

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

As at March 31, 2023

Particulars	Outstanding for following periods from the due date of payment						
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables							
(i) Considered good	372.39	51.08	1.01	0.61	0.14	0.41	425.64
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables							
(i) Considered good	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
Unbilled Revenue	-	-	-	-	-	-	-
Total	**372.39**	**51.08**	**1.01**	**0.61**	**0.14**	**0.41**	**425.64**

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

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

12 Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks (including deposits with original maturity up to 3 months)		
(i) In Current account	16.48	21.35
(ii) In EEFC account	7.03	7.10
Cash on hand	0.02	0.03
Total	23.53	**28.48**

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

Reconciliation of cash and cash equivalents to cash flow statement

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents as above	23.53	28.48
Add: Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.15)	(1.46)
Bank overdraft availed for cash management purposes	-	-
Total	23.38	27.02

13 Bank balances other than cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Balances with banks in earmarked accounts		
In unclaimed dividend account	0.08	0.09
Total	0.08	**0.09**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

14 Loans

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Loans receivable considered good - Unsecured		
Loans to employees	0.09	0.38
Total	0.09	0.38

15 Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
AUTHORISED :		
Equity Shares:		
2,50,00,000 (March 31, 2023: 2,50,00,000) equity shares of Rs.10 each	25.00	25.00
Preference shares:		
1,05,00,000 (March 31, 2023: 1,05,00,000) preference shares of Rs.10 each	10.50	10.50
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,62,65,267 (March 31, 2023: 1,62,65,267) equity shares of Rs.10 each fully paid-up	16.27	16.27
	16.27	**16.27**

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

Particulars	March 31, 2024		March 31, 2023	
	No of Shares	Amount (Rs.)	No of Shares	Amount (Rs.)
Equity Shares of Rs.10 each fully paid up				
At the beginning of the year	1,62,65,267	16,26,52,670	1,62,65,267	16,26,52,670
Allotment of shares under preferential issue	-	-	-	-
At the end of the year	1,62,65,267	16,26,52,670	**1,62,65,267**	**16,26,52,670**

Rights, preferences and restrictions attached to Shares mentioned above :

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

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

Name of the Share holder	No of shares held as at			
	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

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

Name of the Share holder	No of shares held as at			
	March 31, 2024		March 31, 2023	
	Nos.	%	Nos.	%
Rane Holdings Limited, ultimate holding company	1,16,72,774	71.77%	1,16,72,774	71.77%

15.4 Information regarding issue of shares in the last five years

(a) The Company has not issued any shares without payment being received in cash.

(b) The Company has not issued any bonus shares.

(c) The Company has not undertaken any buy-back of shares.

(d) The Company has not issued any stock options or warrants.

15.5 Shares held by promoters at the end of the year

Promoter Name	March 31, 2024		March 31, 2023		Change during the year		Change during the previous year	
	No. of Shares	% of total shares	No. of Shares	% of total shares	No. of shares	% Change during the year	No. of shares	% Change during the year
Rane Holdings Limited	1,16,72,774	71.77%	1,16,72,774	71.77%	-	0.00%	-	0.00%
Shanthi Narayan	24,775	0.15%	24,775	0.15%	-	0.00%	-	0.00%
Raman T G G	28,000	0.17%	28,000	0.17%	-	0.00%	-	0.00%
Rathika R Sundaresan	20,000	0.12%	20,000	0.12%	-	0.00%	-	0.00%
Narayanaswamy Sundaresan (Legal Heir of Late. Chitra Sundaresan)	12,604	0.08%	12,604	0.08%	-	0.00%	-	0.00%
Geetha Raman Subramanyam	12,000	0.07%	12,000	0.07%	-	0.00%	-	0.00%
Ranjini R Iyer	12,000	0.07%	12,000	0.07%	-	0.00%	-	0.00%
Aditya Ganesh	8,483	0.05%	8,483	0.05%	-	0.00%	-	0.00%
Aparna Ganesh	7,851	0.05%	7,851	0.05%	-	0.00%	-	0.00%
Vanaja Aghoram	5,010	0.03%	5,010	0.03%	-	0.00%	-	0.00%
Malavika Lakshman	4,866	0.03%	4,866	0.03%	-	0.00%	-	0.00%
Rama R Krishnan	4,193	0.03%	4,193	0.03%	-	0.00%	-	0.00%
Rekha Sundar	1,060	0.01%	1,060	0.01%	-	0.00%	-	0.00%
Meenakshi Ganesh & L Ganesh	839	0.01%	839	0.01%	-	0.00%	-	0.00%
Harish Lakshman *	750	0.00%	750	0.00%	-	0.00%	-	0.00%
Vinay Lakshman *	750	0.00%	750	0.00%	-	0.00%	-	0.00%
Total promoter shareholding	**1,18,15,955**	**72.65%**	**1,18,15,955**	**72.65%**	**-**	**0.00%**	**-**	**0.00%**

*Percentage rounded off

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

16 Other Equity

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve	185.89	185.89
Securities Premium	187.82	187.82
Amalgamation adjustment account	(0.20)	(0.20)
Capital redemption reserve	12.73	12.73
Retained Earnings	(132.31)	(134.66)
Foreign Currency translation reserve	(14.24)	(26.20)
Total	239.69	**225.38**

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve		
Opening balance	185.89	185.89
Add: Addition during the year	-	-
Closing balance	185.89	**185.89**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium		
Opening balance	187.82	187.82
Add: Addition during the year	-	-
Closing balance	187.82	**187.82**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Amalgamation Adjustment account		
Opening balance	(0.20)	(0.20)
Add: Addition during the year	-	-
Closing balance	(0.20)	**(0.20)**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Capital Redemption Reserve		
Opening balance	12.73	12.73
Add: Addition during the year	-	-
Closing balance	12.73	**12.73**

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

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

Particulars	As at March 31, 2024	As at March 31, 2023
Retained earnings		
Balance at the beginning of the year	(134.66)	(166.01)
Profit/(Loss) attributable to equity shareholders of the company	3.02	30.02
Other comprehensive income/(Loss) arising from remeasurement of defined benefit obligation net of income tax	(0.67)	1.33
Balance at the end of the year	(132.31)	**(134.66)**

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

Balance of retained earnings at the end of the year includes cumulative other comprehensive loss arising from remeasurement of defined benefit obligations, net of tax, amounting to INR 4.72 crores as at March 31, 2024 (March 31, 2023: INR 4.05 crores)

The board has not declared dividend for the year ended March 31, 2024 and March 31, 2023.

Particulars	As at March 31, 2024	As at March 31, 2023
Foreign Currency Translation reserve		
Balance at the beginning of the year	(26.20)	(8.36)
Add : Addition during the year	11.96	(17.84)
Balance at the end of the year	(14.24)	**(26.20)**

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

17 Borrowings

17A Non-current borrowings

Particulars	Non-Current		Current Maturities (Refer Note 17B)	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Unsecured - at amortised cost				
Term Loans				
- from banks	13.33	29.33	16.00	16.00
Sub Total	13.33	**29.33**	16.00	**16.00**
Secured - at amortised cost				
Term Loans				
- from banks	157.82	215.05	63.92	72.68
- from Others	91.05	-	20.21	
Sub Total	248.87	**215.05**	84.13	**72.68**
Total	262.20	**244.38**	100.13	**88.68**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

Summary of borrowing arrangements

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2024 and 2023 are secured by a charge created on the Company's fixed assets both present and future (excluding immoveable properties in Velachery).

EXIM Bank Loan as at March 31, 2023 was secured against all movable Property, Plant and Equipment, current assets of Rane Light Metal Castings Inc., shares of Rane Light Metal Castings Inc. held by Rane (Madras) International Holdings B.V. and an unconditional and irrevocable Standby Letter of Credit provided and by a charge created on the Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties). The loan has been fully repaid during the current year.

The terms of repayment of term loans are given below

As at March 31, 2024

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	1.48	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering Moratorium announced by RBI)
HDFC Bank - INR Long Term Loan	29.55	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	31.22	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
HDFC Bank - INR Long Term Loan	73.72	Repayable in 20 equal quarterly Instalments commencing from February 2024
Federal Bank - INR Long Term Loan	7.08	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period
Exim Bank - INR Long Term Loan	79.32	Repayable in 16 equal quarterly Instalments commencing from October 2023 with 1 year of moratorium period
TATA Capital - INR Long Term Loan	60.24	Repayable in 16 equal quarterly Instalments commencing from August 2024 with 1 year of moratorium period
Bajaj Finance - INR Long Term Loan	50.39	Repayable in 48 equal monthly Instalments commencing from August 2024 with 1 year of moratorium period
Total	333.00	

Unsecured

Particulars	Balance	Terms of repayment
Axis Bank - INR Long Term Loan	29.33	Repayable in 48 equal monthly Instalments commencing from February 2022 with 1 year of moratorium period

The interest rate for INR loans range from 6.78% p.a to 9.80% p.a.

As at March 31, 2023

Secured

Particulars	Balance	Terms of repayment
HDFC Bank - INR Long Term Loan	5.27	Repayable in 16 equal quarterly Instalments commencing from September 2020 with 1 Year of moratorium period (after considering Moratorium announced by RBI)
HDFC Bank - INR Long Term Loan	35.27	Repayable in 20 structured quarterly Instalments commencing from February 2022
HDFC Bank - INR Long Term Loan	31.21	Repayable in 48 equal monthly Instalments commencing from May 2024 with 2 years of moratorium period
Federal Bank - INR Long Term Loan	35.42	Repayable in 12 equal quarterly Instalments commencing from September 2021 with 2 years of moratorium period

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

Particulars	Balance	Terms of repayment
Exim Bank - INR Long Term Loan	90.00	Repayable in 16 equal quarterly Instalments commencing from October 2023 with 1 year of moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	90.56	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 years of moratorium period
Total	**287.73**	

Unsecured

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

The interest rrate for INR loans range from 6.02% p.a to 9.21% p.a; The interest rate for USD loans range from LIBOR (6 months) + 230bps p.a to LIBOR (6 months) + 375 bps p.a.

17B Current Borrowings

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured - at amortised cost		
Loans from banks	60.00	45.00
Secured - at amortised cost**		
Loans from banks	278.37	280.06
Current maturities of long-term debt	100.13	88.68
Total	438.50	**413.74**

The interest rate for INR loans range from 4.75% p.a to 10.76% p.a

**Secured loans include cash credit, packing credit, Buyers credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2024 and 2023 are secured on a pari passu basis by way of hypothecation of inventories and book debts.

** EXIM Bank loan as at March 31, 2023 was secured against all movable property, plant and equipment, current assets of Rane Light Metal Castings Inc. and shares of Rane Light Metal Castings Inc. held by Rane (Madras) International Holdings B.V.

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

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

Particulars	Short-term borrowings	Long-term borrowings (including current maturities)	Lease liabilities
Balance as at April 1, 2022	**272.84**	**303.16**	**8.76**
Changes from financing cash flows			
Proceeds from long term borrowings	-	90.00	-
Repayment of long term borrowings	-	(69.27)	-
Proceeds from short term borrowings	1,105.73	-	-
Repayment of short term borrowings	(1,056.39)	-	-
Payment of lease liabilities	-	-	(2.55)
Other changes			
New leases	-	-	2.92
Others	3.02	9.17	-
Interest expense	32.26	-	1.38
Interest paid	(32.40)	-	-
Impact of foreign exchage rate differences			(0.57)

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

Particulars	Short-term borrowings	Long-term borrowings (including current maturities)	Lease liabilities
Balance as at March 31, 2023	**325.06**	**333.06**	**9.94**
Changes from financing cash flows			
Proceeds from long term borrowings	-	184.96	-
Repayment of long term borrowings	-	(156.43)	-
Proceeds from short term borrowings	1,765.35	-	-
Repayment of short term borrowings	(1,752.14)	-	-
Payment of lease liabilities	-	-	(2.22)
Other changes			
New leases	-	-	22.95
Others	(1.77)	0.28	-
Interest expense	55.31	2.07	1.06
Interest paid	(53.44)	(1.61)	-
Deletions on account of disposal of subsidiary (Refer note 32)	-	-	(4.17)
Impact of foreign exchage rate differences	-	-	0.16
Balance as at March 31, 2024	338.37	362.33	27.72

18 Provisions

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Provision for leave encashment	8.73	7.51	1.17	0.80
Provision for Gratuity (refer note 36)	-	-	3.55	0.89
Provision for Pension plan (refer note 36A)	-	10.88	-	-
Provision for Warranty	-	-	13.13	6.37
Total	8.73	**18.39**	17.85	**8.06**

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

Provision for leave encashment

The provision for leave encashment includes annual leave accrued.

Provision for Warranty

Refer Note 1.17

(ii) **Movements in provisions**

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

Particulars	Provision for leave encashment	Provision for Warranty
As at April 1, 2022	**7.73**	**4.35**
Charged/(credited) to profit or loss	3.16	7.49
Amounts utilised during the year	(2.58)	(5.47)
As at March 31, 2023	**8.31**	**6.37**
Charged/(credited) to profit or loss	3.16	29.60
Amounts utilised during the year	(1.57)	(22.84)
As at March 31, 2024	9.90	13.13

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

19 Other liabilities

Particulars	Non-current		Current	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Deferred income	3.34	1.86	0.92	0.54
Statutory dues	-	-	6.99	9.82
Tooling advance received from customers	-	9.21	17.25	0.86
Advances from Customers	-	-	1.31	1.45
Total	3.34	**11.07**	26.47	**12.67**

20 Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Security Deposits	1.10	1.08
Unclaimed dividends	0.08	0.09
Termination benefit under Voluntary Retirement Scheme	-	0.88
Payable to employees	15.93	15.18
Derivative Liability	-	2.28
Commission payable to Chairman	0.79	-
Payables on purchase of fixed assets	4.10	1.02
Others^	21.24	21.36
Total	43.24	**41.89**

^ Comprises of dealer incentives and royalty payable amounting to INR 16.21 crores and INR 5.01 crores respectively as at March 31, 2024 and INR 16.64 crores and INR 3.64 crores respectively as at March 31, 2023.

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

21 Deferred tax asset/(liability) (net)

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

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax assets (net)	110.58	4.82
Total	110.58	**4.82**

Movements in deferred tax assets/(liabilities)

Particulars	Provision for employee benefit expense	Depreciation	Other Provisions (towards Warranty, Bad and Doubtful debts, Inventory, etc.)	Others^	Total
As at April 1, 2022	3.31	(7.61)	2.37	-	(1.93)
Charged/(Credited)					
- to profit & loss	0.35	4.00	1.97	-	6.32
- to other comprehensive income	0.44	-	-	-	0.44
As at March 31, 2023	**4.10**	**(3.61)**	**4.34**	**-**	**4.82**
Charged/(Credited)					
- to profit & loss	0.40	4.29	7.75	93.09	105.53
- to other comprehensive income	0.23	-	-	-	0.23
As at March 31, 2024	4.73	0.68	12.09	93.09	110.58

^ Includes deferred taxes in respect of allowable business loss/ expenditure. (refer note below).

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

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following tax losses, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses	-	-	621.10	116.54

Details for amount and expiry of losses carried forward

Particulars	As at March 31, 2024	
	Amount	Expiry
AY 2024-25	369.89	AY 2032-33

Note :

As indicated in Note 32, consequent to the sale of the entire stake in LMCA, RMIH has carried out a reduction of capital in NCRPS and equity shares issued to the Holding Company. The Holding Company has determined that it is eligible to claim the tax benefit arising from the underlying losses and has accordingly recorded a Deferred Tax Asset of INR 113.34 crores in the current year. The Holding Company has also obtained legal advise in this matter and believes that it will have sufficient future taxable profits to utilize this asset.

22 Trade Payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables - Micro enterprises and Small enterprises	2.30	2.52
Trade payables - Related Parties	13.71	15.53
Trade payables - Others	269.14	329.08
Total	285.15	**347.13**

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

As at March 31, 2024

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	1.79	0.51	-	-	-	-	2.30
(ii) Others	133.63	129.03	0.38	0.13	-	0.13	263.30
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	135.42	129.54	0.38	0.13	-	0.13	265.60
Unbilled							19.55
Total							285.15

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

As at March 31, 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues							
(i) MSME	0.67	1.85	-	-	-	-	2.52
(ii) Others	22.38	290.72	1.00	1.51	0.57	0.19	316.37
Disputed dues							
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-	-
	23.05	**292.57**	**1.00**	**1.51**	**0.57**	**0.19**	**318.89**
Unbilled	-	-	-	-	-	-	28.24
Total	-	-	-	-	-	-	**347.13**

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

22.1 Micro and Small Enterprises

Particulars		As at March 31, 2024	As at March 31, 2023
i.	The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
	The Principal amount and interest due there on, remaining unpaid to suppliers under MSMED Act:		
	- Principal	2.30	2.52
	- Interest	-	-
	The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
	- Principal	-	-
	- Interest	-	-
	The amount of interest due and payable for principal paid during the year beyond the appointed day but without adding the interest specified under MSMED Act:		
	- Principal	-	-
	- Interest	-	-
	The amount of interest accrued and remaining unpaid at the end of the year ((Previous year Rs.Nil Crores) being interest outstanding as at the beginning of the accounting year)	-	-
	The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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(All amounts are in Crores in INR unless otherwise stated)

23 Revenue from operations

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Sales of Products - Revenue from contract with customers	2,200.94	2,313.75
Other operating revenues		
- Scrap sales	25.11	30.15
- Job charges	0.10	0.20
- Export Entitlements	12.80	10.34
Total	2,238.95	**2,354.44**

Reconciliation of revenue from sale of products

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Gross revenues	2,228.16	2,343.45
Less: Customer discounts	(27.22)	(29.70)
Net revenues from sale of products	2,200.94	**2,313.75**

23.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers which is recognised based on goods transferred at a point in time by geography and offerings of the Group. The payment terms vary with each customer but do not constitute any significant financing component cost.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue by Geography		
India	1,575.06	1,642.12
USA	110.82	402.40
Rest of the world	515.05	269.23
Total revenue from contracts with customers	2,200.94	**2,313.75**
Revenue by offerings		
Manufactured goods		
Steering and Suspension Linkage Products, Steering Gear Products and Hydraulic Products	1,801.26	1,790.76
Diecasting products	321.92	445.79
Other Auto components	77.76	77.20
Total revenue from contracts with customers	2,200.94	**2,313.75**

23.2 Trade receivables

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

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

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

23.3 Contract balances

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Receivables, included under trade receivables	339.30	419.61
Contract liabilities included under advance from customers	1.31	1.45

The contract liabilities primarily relate to the advance consideration received from customers for manufacturing of products for which the delivery of goods is expected to be completed in the next one year.

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24 Other income

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest income earned on financial assets that are not designated at fair value through profit or loss		
-- On Deposits	2.82	0.29
-- On Supplier payments	-	0.08
Net gain on foreign currency transactions	-	14.19
Net gain on disposal of property, plant and equipment	0.18	0.15
Other non-operating income		
Government grant Income	0.59	1.30
Others	0.99	1.85
Total	**4.58**	**17.86**

25 Cost of Materials consumed

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening stock	70.10	51.11
Add: Purchases	1,311.14	1,417.30
Less: Deletions on account of disposal of subsidiary (Refer note 32)	(1.47)	-
Less: Closing stock	(64.32)	(70.10)
Raw materials and Components consumed	**1,315.45**	**1,398.31**
Freight inward	23.53	23.28
Job work expenses	80.44	76.39
Total	**1,419.42**	**1,497.98**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening Stock:		
Work-in-progress	33.89	31.15
Finished goods	105.94	97.49
Closing Stock:		
Work-in-progress	23.06	33.89
Finished goods	116.93	105.94
Deletions on account of disposal of subsidiary (Refer note 32)		
Work-in-progress	5.76	-
Finished goods	5.38	-
Increase in inventories	**(11.30)**	**(11.19)**

27 Employee benefit expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Bonus	220.85	249.54
Contribution to		
Provident and other Funds (Refer Note 36)	12.50	20.93
Superannuation Fund	0.50	0.56
National Pension Scheme	0.24	0.20
Savings plan (Refer Note 36A)	0.30	0.87
Pension plan (Refer Note 36A)	0.68	0.98
Gratuity Fund (Refer Note 36)	2.17	1.83
Staff Welfare Expenses	14.13	14.72
Total	**251.37**	**289.63**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
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28 Finance Cost

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest costs on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	54.91	31.91
Other Borrowing costs	0.40	0.35
Interest on lease liabilities (Refer note 39)	1.06	1.38
Total	56.37	**33.64**

29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Depreciation on property, plant and equipment (Note 2)	87.75	91.62
Depreciation on right of use asset (Note 3)	1.48	2.15
Amortisation of intangible assets (Note 5)	1.80	2.83
Total	91.03	**96.60**

30 Other Expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Power and Fuel	57.35	67.93
Rent expense	1.45	4.48
Travelling and Conveyance	13.55	11.55
Repairs and Maintenance		
- Buildings	3.74	4.45
- Plant and Machinery	27.20	27.95
- Others	2.83	3.55
Insurance	11.13	12.75
Rates and Taxes	3.24	3.25
Auditors' Remuneration	1.08	0.66
Directors' Sitting Fees	0.27	0.19
Professional Charges	30.16	19.07
Impairment loss on financial assets	18.05	1.06
Consumption of stores and spares	83.20	82.60
Packing materials consumed	62.65	56.33
Royalty and Technical Fees	1.45	1.49
Information Systems	11.36	10.13
Commission to Chairman	0.88	-
Freight Outward and Storage charges	57.21	59.05
Advertisement and Sales Promotion	2.97	2.26
Product Warranty	11.00	7.49
Trade Mark fee	10.53	10.38
Printing and Stationery	1.76	1.35
Postage and Telecom expenses	0.98	1.16
Bank Charges	0.74	1.12
Corporate Social Resoponsibility Expenditure (Refer note 30.1)	1.31	0.58
Net loss/(gain) on foreign currency transactions	13.00	-
Miscellaneous Expenses	4.25	4.69
Total	433.34	**395.52**

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Included in other expenses are the below:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
30.1 Expenditure incurred for Corporate social responsibility:		
(a) Amount required to be spent by the company during the year	1.31	0.57
(b) Amount approved by the board	1.31	0.57
(c) Amount spent during the year (in cash):		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
(a) Education	1.12	0.48
(b) Healthcare	0.03	0.05
(c) Community development	0.07	0.04
(c) Environment	0.09	-
	1.31	0.57
(d) Excess / (shortfall) at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall(if any)	NA	NA
(g) Details of Related Party Transactions	Refer note below	Refer note below
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	-	-

The above expenditure includes contribution to Rane Foundation of INR 1.06 crores (March 31, 2023: 0.47 crores), over which the Holding Company has significant influence (also refer note 35)

31 Tax Expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income taxes		
Income tax recognised in profit or loss		
Current tax		
In respect of current year	-	34.76
	-	34.76
Deferred tax		
In respect of current year	(105.53)	(6.32)
	(105.53)	(6.32)
Total income tax expense recognised in profit or loss	(105.53)	28.44

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income taxes		
Income tax recognised in other comprehensive income		
Deferred tax		
In respect of current year	(0.23)	(0.44)
Total income tax expense /(gain) recognised in other comprehensive income	(0.23)	(0.44)

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) before tax	(102.51)	**58.46**
Tax using the Company's domestic tax rate	(25.80)	14.71
Differences in tax rates in foreign jurisdictions and impact of unrecognised deferred tax assets	2.99	16.80
Non deductible expense	0.03	(3.01)
Impact due to change in estimates (Refer Note 21)	(82.75)	-
Deductions under Chapter VI A	-	(0.06)
Income Tax expense recognised in profit or loss	(105.53)	**28.44**

The tax rate used for the 2023-24 and 2022-23 tax computation above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

32 Exceptional Item

(a) Exceptional items include Rs. 20.35 crores which primarily comprise of provision for one time warranty related costs, expenses related to proposed scheme of amalgamation and expenditure towards Voluntary Retirement Scheme (year ended March 31, 2023 : Rs. 2.61 crores). Also refer note 2.

(b) Pursuant to the approval of the Board of Directors and Shareholders of the Holding Company, Rane Madras International Holdings B.V. has sold its entire stake in Rane Light Metal Castings Inc., USA (LMCA) on September 14, 2023 for a consideration of USD 4.9 million. Accordingly, for the year ended March 31, 2024, the Group has recorded loss on sale of the aforesaid step down subsidiary aggregating to Rs. 85.46 crores in the consolidated financial statements as an exceptional item.

33 Financial Instruments

33.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company.

The Group's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Group, maintain the Group as a going concern and maintain optimal structure.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings.

The Group monitors the capital structure on the basis of debt to equity of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

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

Particulars	As at March 31, 2024	As at March 31, 2023
Debt *	700.70	658.12
Cash and bank balances	(23.61)	(28.57)
Net debt	677.09	629.55
Total Equity**	255.96	241.65
Net debt to equity ratio	2.65	**2.61**

*Debt is defined as long-term and short-term borrowings.
** Equity includes all capital and reserves of the Group.

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33.2 Fair Value Measurement

The management considers that the carrying amount of financial assets and financial liabilities recognised at amortised cost in the balance sheet approximates their fair value.

Financial Instrument by Category

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Loans	-	-	0.09	-	-	0.38
Investments	-	-	1.92	-	-	1.46
Trade Receivables	-	-	339.30	-	-	419.61
Cash and cash equivalents	-	-	23.53	-	-	28.48
Bank balances other than above	-	-	0.08	-	-	0.09
Other Financial assets	-	-	35.60	-	-	24.33
Fair value Derivative Hedging receivable	0.22	-	-	7.87	-	-
Total Financial Assets	0.22	-	400.52	**7.87**	-	**474.35**
Financial Liabilities						
Borrowings	-	-	700.70	-	-	658.12
Trade Payables	-	-	285.15	-	-	347.13
Lease Liabilities	-	-	27.72	-	-	9.93
Other financial liabilities	-	-	43.24	-	-	39.61
Derivative Liability	-	-	-	2.28	-	-
Total Financial Liabilities	-	-	1,056.81	**2.28**	-	**1,054.79**

The below tables summarise the fair value hierarchy of the financial assets/liabilities

i. The fair value hierarchy of financial assets and liabilities measured at fair value

Particulars	As at March 31, 2024	As at March 31, 2023	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets				
Derivative assets	0.22	7.87	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	0.22	**7.87**		
Financial liabilities				
Derivative liabilities	-	2.28	2	The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Total	-	**2.28**		

Note: Fair value information relating to investment in equity securities are not presented as these are not material to the financial statements.

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* Fair Value Hierarchy (Level 1,2,3)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

33.3 Financial risk management objectives

The Group's activities expose it to a variety of financial risks : market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual credit profile of each customer and the concentration of risk from the top few customers.

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

(a) Market Risk

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

Foreign Currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange and option contracts.

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	In Rs. (Crores)	In Foreign Currency (Crores)	In Rs. (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
Financial Assets				
USD				
Trade Receivable	93.93	1.13	114.37	1.39
Bank balances	6.49	0.08	6.72	0.08
Other Financial assets	11.88	0.14	-	-
EUR				
Trade Receivable	21.13	0.23	22.20	0.25
Bank balances	0.54	0.01	0.37	0.00
Sub Total	122.09		143.66	
Financial Liabilities				
USD				
Trade Payable	(6.39)	(0.08)	(5.62)	(0.07)

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	In Rs. (Crores)	In Foreign Currency (Crores)	In Rs. (Crores)	In Foreign Currency (Crores)
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
Capital Creditors	(0.06)	(0.00)	-	-
EUR				
Trade Payable	(1.05)	(0.01)	(0.73)	(0.01)
Capital creditors	-	-	(0.07)	(0.00)
GBP				
Trade Payable	-	-	(0.01)	(0.00)
CNY				
Trade Payable	(0.01)	(0.00)	-	-
JPY				
Trade Payable	-	-	(0.10)	(0.02)
Sub Total	(7.52)		(6.53)	
Net Balance	114.57		137.13	

Note: The above disclosure is based on the foreign currency exposure determined on the basis of the functional currency of the respective entities included in the Group

Foreign Currency sensitivity analysis

The Group is mainly exposed to US Dollar and EURO currencies. The following table details the Group's sensitivity to a 5% increase and decrease against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. The sensitivity analysis includes loans to foreign operations within the Group where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Indian Rupee strengthens by 5% against the relevant currency. For a 5% weakening of the Indian Rupee against the relevant currency, there would be a opposite impact on the profit or equity.

Particulars	Currency USD impact		Currency EUR impact		Currency JPY impact	
	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores	Rs in Crores
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Impact on profit or loss for the year						
- Increase by 5%	5.30	5.75	1.05	1.12	-	(0.01)
- Decrease by 5%	(5.30)	(5.75)	(1.05)	(1.12)	-	0.01
Impact on equity as at the end of the reporting period						
- Increase by 5%	3.96	4.30	0.78	0.84	-	(0.01)
- Decrease by 5%	(3.96)	(4.30)	(0.78)	(0.84)	-	0.01

In management's opinion, the sensitivity analysis is not a complete reflection of the inherent foreign exchange risk considering the fact that the exposure at the end of the reporting period does not reflect the exposure during the year.

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Derivative Financial Instruments

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. It is the policy of the Group to enter into forward foreign exchange contracts to cover specific foreign currency payments and receipts. The Group also enters into forward foreign exchange contracts to manage the risk associated with anticipated sales and purchase transactions ranging from 6 months to one year by covering a specific range of exposure generated. Adjustments are made to the initial carrying amount of non-financial hedged items when the anticipated sale or purchase transaction takes place.

The following table details the forward foreign currency (FC) outstanding at the end of the reporting period:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Foreign currency (In Crores)	In Rs. (In Crores)	Foreign currency (In Crores)	In Rs. (In Crores)
Derivatives designated as cash flow hedges				
Forward Contracts				
In USD	1.32	110.42	1.45	118.27
In Euro	0.26	23.40	0.28	24.86
Total		133.82		**143.13**

The foreign exchange forward and options contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	As at March 31, 2024	As at March 31, 2023
Not later than 1 month	26.81	25.20
Later than 1 month but not later than 3 months	50.91	49.76
Later than 3 month up to 6 months	56.10	68.17
Total	133.82	**143.13**

As at March 31, 2024, the Group does not have any foreign currency forward contracts which are designated as hedge instruments and hence all gains and losses in respect of such contracts have been recorded in the statement of profit and loss.

Interest rate risk

The Group adopts appropriate policies to ensure that the interest rate risk exposure is minimised. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

Exposure to interest rate risk

Particulars	As at March 31, 2024	As at March 31, 2023
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	-	-
Impact of interest rate swaps	-	89.50
	-	89.50
Variable rate instruments		
Financial assets	-	-
Financial liabilities	700.70	658.12
Impact of interest rate swaps	-	(89.50)
	700.70	568.62

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Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Impact on equity		Impact on Profit/(Loss)	
	Increase	Decrease	Increase	Decrease
March 31, 2024				
Variable rate instruments	5.24	(5.24)	7.01	(7.01)
March 31, 2023				
Variable rate instruments	4.25	(4.25)	5.69	(5.69)

(b) **Credit risk management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, loans, investments, deposits with banks and financial institutions and trade and other financial receivables. The carrying amount of financial assets represents the maximum credit risk.

Particulars	Net carrying amount	
	As at March 31, 2024	As at March 31, 2023
India	226.43	272.40
USA	38.69	88.78
Europe	26.26	20.20
Rest of the world	57.30	44.27

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

As at March 31, 2024

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.18%	302.84	0.54	No
1-30 days past due	1.92%	26.86	0.52	No
31-60 days past due	6.55%	7.76	0.51	No
61-90 days past due	12.27%	2.71	0.33	No
90-120 days past due	28.66%	1.40	0.37	No
More than 120 days past due	100.01%	7.11	7.11	No

As at March 31, 2023

Particulars	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit impaired
Not due	0.21%	372.39	0.78	No
1-30 days past due	1.19%	28.49	0.34	No
31-60 days past due	4.83%	3.52	0.17	No
61-90 days past due	6.94%	6.20	0.43	No
90-120 days past due	28.66%	11.36	0.63	No
More than 120 days past due	100.00%	3.68	3.68	No

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

The estimated gross carrying amount at default is INR 15.45 crores (March 31, 2023: INR 0.90 crores) for investments, loans and other financial assets. Consequently there are no expected credit loss recognised for these financial assets.

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The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

(ii) **Expected credit loss for trade receivables under simplified approach**

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable. The Group has adopted a policy of only dealing with creditworthy counterparties, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience based on : a) Past trend of outstanding receivables over a rolling period of past 24 months and b) actual amount of outstanding receivables as on the reporting date.

(c) **Liquidity risk management**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

Liquidity risk

The following information provides details of the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The below information has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay and includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2024

Particulars	Less than 1 year	1-5 year	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	468.50	294.42	-	762.92	700.70
Trade Payables	285.15	-	-	285.15	285.15
Lease liability	4.25	16.95	30.90	52.10	27.72
Other Financial liabilities	43.24	-	-	43.24	43.24
	801.14	311.37	30.90	1,143.41	1,056.81

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

Particulars	Less than 1 year	1-5 year	More than 5 years	Total contractual cash flows	Carrying amount
Borrowings	417.79	276.41	-	694.20	658.12
Trade Payables	347.13	-	-	347.13	347.13
Lease liability	2.15	4.64	10.74	17.53	9.93
Other Financial liabilities	39.61	-	-	39.61	39.61
	806.68	281.05	10.74	1,098.47	1,054.79

The Holding Company exceeded the threshold on certain covenants regarding financial ratios as at March 31, 2024. However, it has obtained waivers and / or revised thresholds from banks / financial institutions.

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34 Segment Reporting

The Group is engaged in the activities related to manufacture and supply of auto components for transportation industry. The Chief Operating Decision Maker (Board of Directors) review the operating results of the Group as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single segment, namely components for transportation industry. All the manufacturing facilities are located in India and United States of America. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

34.1 Product wise break up - Please refer note no. 23.1

34.2 Geographical Information

The Group's revenue from contracts with customers by location of operations and information about its non current assets** by location of operations are detailed below.

Particulars	Revenue from contract with customers		Non - current assets**	
	Year ended March 31, 2024	Year ended March 31, 2023	As at March 31, 2024	As at March 31, 2023
India	1,575.06	1,642.12	507.56	423.13
USA	110.82	402.40	-	120.95
Rest of the world	515.05	269.23	-	-
Total	2,200.94	**2,313.75**	507.56	**544.08**

The geographical information considered for disclosure are – India, United States of America and Rest of the World. The manufacturing facilities are located in India and USA.

** Non- current assets are used in the operations of the Group to generate revenues both in India and outside India. Non-current assets exclude financial instruments, income tax assets and deferred tax assets.

34.3 Information about major customers

The Group is a manufacturer of Steering and Suspension Linkage Products, Steering Gear Products, Cylinder, Die casting products and other auto components for transportation industry.

The Group has three major customers (greater than 10% of total sales) and revenue from sale of auto components to these major customers aggregated to Rs. 716.30 crores (March 31, 2023- Rs. 690.82 crores).

35 Related Party Disclosures

(a)	List of related parties where control exists	
	Holding Company	Rane Holdings Limited (RHL)
	Other related parties where transaction has taken place during the year	
(b)	Key Management Personnel	L Ganesh, Chairman (till Mar 31, 2024)
		Harish Lakshman, Vice chairman (till Mar 31, 2024), Chairman (w.e.f Apr 01, 2024)
		Gowri Kailasam - Chief Executive Officer
(c)	Relative of KMP	L Lakshman
		Aditya Ganesh
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation
(e)	Fellow Subsidiaries	Rane Engine Valve Limited (REVL)
		Rane Holdings America Inc. (RHAI)
		Rane Brake Lining Limited (RBL)
		Rane Holdings Europe GmbH (RHEG)
		Rane t4u Private Limited (till July 19, 2023)
(f)	Joint ventures of the Holding company	ZF Rane Automotive India Private Limited (Formerly known as Rane TRW Steering Systems Private Limited(RTSS))(ZRAI)
		Rane NSK Steering Systems Private Limited (RNSS)
(g)	Post employment benefit plan of the entity	Rane Madras Employee Gratuity Fund (RMEGF)
		Rane Madras Employee Senior Executives Pension Fund (RMESPF)

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Details of related party transactions and balances:

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Transaction during the year																
Sales																
Sales-ZRAI	-	-	-	-	-	-	-	-	-	-	9.86	13.27	-	-	9.86	13.27
Sales-RNSS	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Purchases													-	-		
Purchases RBL	-	-	-	-	-	-	-	-	2.31	2.31	-	-	-	-	2.31	2.31
Purchases REVL	-	-	-	-	-	-	-	-	2.43	2.04			-	-	2.43	2.04
Purchases-ZRAI	-	-	-	-	-	-	-	-	-	-	3.11	2.05	-	-	3.11	2.05
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	43.23	33.44	-	-	43.23	33.44
Purchase of PPE kits, masks-ZRAI	-	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01
Expenses																
Professional Charges	9.50	8.24	-	-	-	-	-	-	-	-	-	-	-	-	9.50	8.24
Software Expenses	5.88	5.17	-	-	-	-	-	-	-	-	-	-	-	-	5.88	5.17
Training Expenses	0.61	0.65	-	-	-	-	-	-	-	-	-	-	-	-	0.61	0.65
Trademark Fee	10.53	10.37	-	-	-	-	-	-	-	-	-	-	-	-	10.53	10.37
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	3.43	3.43	-	-	-	-	3.43	3.43
Sales Promotion Expenses - RHEG	-	-	-	-	-	-	-	-	0.83	0.83	-	-	-	-	0.83	0.83
Donation-Rane Foundation	-	-	-	-	-	-	1.06	0.47	-	-	-	-	-	-	1.06	0.47
Miscellaneous Expenses	0.71	0.61	-	-	-	-	-	-	-	-	-	-	-	-	0.71	0.61
Testing charges - RNSS	-	-	-	-	-	-	-	-	-	-	-	0.32	-	-	-	0.32
Service fee - RT4U	-	-	-	-	-	-	-	-	0.04	0.01	-	-	-	-	0.04	0.01
Reimbursement of expenses to RHL	0.23	-	-	-	-	-	-	-	-	-	-	-	-	-	0.23	-
Reimbursement of Expenses to RBL	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Reimbursement of Expenses from REVL	-	-	-	-	-	-	-	-	0.23	0.23	-	-	-	-	0.23	0.23
Reimbursement of Expenses from RBL									1.15	1.09			-	-	1.15	1.09
Reimbursement of Expenses to ZRAI	-	-	-	-	-	-	-	-	-	-	0.01	-	-	-	0.01	-

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Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Reimbursement of Expenses from ZRAI	-	-	-	-	-	-	-	-	-	-	0.35	0.22			0.35	0.22
Reimbursement of Expenses from RNSS	-	-	-	-	-	-	-	-	-	-	0.01	0.01	-	-	0.01	0.01
Capital Expenditure																
Licence Fee	0.04	0.02	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.02
Contributions to post employment benefit plan																
Contributions to RMEGF	-	-	-	-	-	-	-	-	-	-	-	-	0.43	2.51	0.43	2.51
Contributions to RMESEPF	-	-	-	-	-	-	-	-	-	-	-	-	0.72	0.55	0.72	0.55
Remuneration to KMP																
Commission to Chairman	-	-	0.88	-	-	-	-	-	-	-	-	-	-	-	0.88	-
Salaries - Ms. Gowri Kailasam	-	-	1.83	1.52	-	-	-	-	-	-	-	-	-	-	1.83	1.52
Salaries - Mr. Aditya Ganesh	-	-	-	-	0.94	0.75	-	-	-	-	-	-	-	-	0.94	0.75
Sitting Fees	-	-	0.09	0.06	-	-	-	-	-	-	-	-	-	-	0.09	0.06

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Details of Related Party balances:

Description	Holding Company		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Post employment benefit plan		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Balance as at year end March, 31																
Payables																
RHL	4.56	5.77	-	-	-	-	-	-	-	-	-	-	-	-	4.56	5.77
Mr L Ganesh	-	-	0.88	-	-	-	-	-	-	-	-	-	-	-	0.88	-
REVL	-	-	-	-	-	-	-	-	0.36	0.07	-	-	-	-	0.36	0.07
RBL	-	-	-	-	-	-	-	-	0.53	0.74	-	-	-	-	0.53	0.74
RHAI	-	-	-	-	-	-	-	-	-	0.37	-	-	-	-	-	0.37
RHEG	-	-	-	-	-	-	-	-	-	0.06	-	-	-	-	-	0.06
ZRAI	-	-	-	-	-	-	-	-	-	-	0.88	0.65	-	-	0.88	0.65
RNSS	-	-	-	-	-	-	-	-	-	-	7.38	7.87	-	-	7.38	7.87
Receivables																
REVL	-	-	-	-	-	-	-	-	0.03	0.05	-	-	-	-	0.03	0.05
RHAI	-	-	-	-	-	-	-	-	0.27	0.17	-	-	-	-	0.27	0.17
RNSS	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02
ZRAI	-	-	-	-	-	-	-	-	-	-	1.70	3.68	-	-	1.70	3.68

Remuneration to Key Management personnel

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Short term benefits paid	2.47	1.31
Post employment benefits		
Other Long term benefits paid	-	0.09
Gratuity	0.10	0.10
Leave encashment	0.14	0.02
Total	2.71	**1.52**

All transactions with related parties are carried out at arm's length basis.

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36 Employee benefit plans

A. Defined contribution plans

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

The major defined contribution plans operated by the Group are as below:

(a) Provident fund

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the Government.

(b) Superannuation fund

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

The Group contributes up to 15% of the eligible employees' salary to LIC every year. Such contributions are recognised as an expense as and when incurred. The Group does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of Rs. 7.76 Crores (for the year ended March 31, 2023: Rs. 6.85 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2024, contributions of Rs. 1.22 Crores (as at March 31, 2023: Rs. 1.12 Crores) due in respect to 2023-24 (2022-23) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The defined benefit plan comprises of the Company's gratuity plan. The defined benefit plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

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

C. Details of defined benefit obligation and plan assets:

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts; funded to LIC. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

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(i) **Movements in the present value of the defined benefit obligation are as follows.**

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening defined benefit obligation	27.46	25.05
Current Service Cost	2.12	1.93
Interest cost	1.88	1.73
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from experience adjustments	0.63	1.46
Benefits paid	(2.66)	(2.71)
Closing defined benefit obligation	29.43	**27.46**

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening fair value of plan assets	26.57	25.20
Interest income	1.83	1.84
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	(0.27)	(0.26)
Contributions from the Employer	0.43	2.51
Benefits paid	(2.67)	(2.72)
Closing fair value of plan assets	25.89	**26.57**

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

Particulars	As at March 31, 2024	As at March 31, 2023
Present value of funded defined benefit obligation	29.43	27.46
Fair value of plan assets	25.89	26.57
Funded status	3.54	**0.89**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	3.54	**0.89**
Current	3.54	**0.89**
Non current	-	-

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

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Service Cost :		
Current Service cost	2.12	1.93
Net interest Expense	0.05	(0.10)
Components of defined benefit costs recognised in profit or loss	2.17	**1.83**
Remeasurement on the net defined benefit liability :		
Return on plan assets (excluding amounts included in net interest expense)		
Actuarial (gains) / losses arising from changes in demographic assumptions	0.63	1.46
Actuarial (gains) / losses arising from changes in financial assumptions	0.27	0.26
Actuarial (gains) / losses arising from experience adjustments	-	-
Components of defined benefit costs recognised in other comprehensive income	0.90	**1.72**
Total	3.07	**3.55**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) **Risk Exposure**

The Group has invested the plan assets with the insurer managed funds. The insurance Group has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits.

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

Particulars	Valuation as at	
	March 31, 2024	March 31, 2023
Discount Rate(s)	6.97%	7.20%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	6.00%	6.00%
Attrition Rate		
Executives and Staff	6.20%	6.10%
Operators	1.82%	2.09%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and attrition rates. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

Change in assumption	Valuation as at	
	March 31, 2024	March 31, 2023
A. Discount Rate + 50 BP	7.47%	7.70%
Defined Benefit Obligation	28.30	26.41
Increase/(Decrease)	1.13	1.05
B. Discount Rate - 50 BP	6.47%	6.7%
Defined Benefit Obligation	30.65	28.60
Increase/(Decrease)	(1.22)	(1.14)
C. Salary Escalation Rate +50 BP	8.5% & 6.5%	8.5% pa and 6.5% pa
Defined Benefit Obligation	30.67	28.62
Increase/(Decrease)	(1.24)	(1.16)

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

Change in assumption	Valuation as at	
	March 31, 2024	March 31, 2023
D. Salary Escalation Rate -50 BP	7.5% & 5.5%	7.5% pa and 5.5% pa
Defined Benefit Obligation	28.27	26.37
Increase/(Decrease)	1.17	1.09
E. Attrition Rate +50 BP	6.70% & 2.32%	6.51% pa and 2.59% pa
Defined Benefit Obligation	29.46	27.51
Increase/(Decrease)	(0.02)	(0.05)
F. Attrition Rate -50 BP	5.70% & 1.32%	5.51% pa and 1.59% pa
Defined Benefit Obligation	29.41	27.42
Increase/(Decrease)	0.02	0.04

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 8.8 years (2023-8.8 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	1.81	1.89
Year 2	4.71	2.95
Year 3	2.76	3.29
Year 4	2.80	2.78
Year 5	2.38	3.24
Next 5 Years	13.87	12.44

The Company expects to pay INR 3.50 crores in contributions to its defined benefit plans in 2024-25.

36A In respect of subsidiary (Rane Light Metal Castings Inc.) - Refer note 32

A. Defined contribution plans

Rane Light Metal Castings Inc. has a 401k plan set up for its employees. The contributions payable to these plans by Rane Light Metal Castings Inc. are at rates specified in the rules of the schemes.

The total expense recognised in profit or loss of Rs. 0.36 Crores (for the year ended March 31, 2022: Rs. 0.87 Crores) represents contributions payable to these plans by LMCA at rates specified in the rules of the plans.

B. Defined benefit plans :

Pension -

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Disability benefit:

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

Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year.

The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. Rane Light Metal Castings Inc. contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor, USA.

Rane Light Metal Castings Inc. is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes Rane Light Metal Castings Inc. to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : Rane Light Metal Castings Inc. has used certain mortality and attrition assumptions in valuation of the liability. LMCA is exposed to the risk of actual experience turning out to be worse compared to the assumption.

A. Defined contribution plans

Particulars	Pension (Funded)	
	March 31, 2024	March 31, 2023
Present Value of obligations at the beginning of the year	45.05	**48.47**
Current service cost	(0.20)	0.49
Interest Cost	-	1.79
Re-measurement (gains)/losses:	-	-
- Actuarial gains and losses arising from experience adjustment	-	(0.07)
- Actuarial gains and losses arising from financial assumptions	-	(7.87)
Benefits paid		(1.70)
Foreign currency translation adjustment	-	3.94
Deletions on account of disposal of subsidiary (Refer note 32)	(44.85)	-
Present Value of obligations at the end of the year	-	45.05
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	34.17	**35.20**
Interest Income	-	1.30
Contributions from the employer	-	1.81
Benefits Paid	-	(1.70)
Return on Plan Assets, Excluding Interest Income	-	(5.33)
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	-	2.89
Deletions on account of disposal of subsidiary (Refer note 32)	(34.17)	-
Fair Value of plan assets at the end of the year	-	**34.17**
Amounts recognized in the Balance Sheet	-	(10.88)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Particulars	Pension (Funded)	
	March 31, 2024	March 31, 2023
Projected benefit obligation at the end of the year	-	(45.05)
Fair value of plan assets at end of the year	-	34.17
Funded status of the plans – Liability recognised in the balance sheet	-	**(10.88)**
Current	-	**-**
Non Current	-	**(10.88)**
Components of defined benefit cost recognised in profit or loss		
Current service cost	(0.20)	0.49
Net Interest Expense	-	0.49
Past service cost	-	-
Net Cost in Profit or Loss	(0.20)	**0.98**
Components of defined benefit cost recognised in Other Comprehensive income		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	-	(7.94)
Return on plan assets	-	5.33
Net Income / (Cost) in Other Comprehensive Income	-	**(2.61)**

Assumptions	As at March 31, 2024	As at March 31, 2023
Discount rate	3.49%	3.08%
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	0.00%	0.00%
Operators	0.00%	0.00%
Rate of Employee Turnover	90% of 2003 SoA SPAT Table	90% of 2003 SoA SPAT Table

Rane Light Metal Castings Inc. had generally invested the plan assets with the insurer managed funds. The insurance company had invested the plan assets in Government Securities, Debt funds, Equity shares, Mutual funds, Money Market Instruments and Time Deposits. the expected rate of return on plan asset was based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

A. Defined contribution plans

Sensitivity Analysis	As at March 31, 2024	As at March 31, 2023
Projected Benefit Obligation on Current Assumptions	-	**45.05**
Delta Effect of +0.5% Change in Rate of Discounting	NA	(2.54)
Delta Effect of -0.5% Change in Rate of Discounting	NA	2.81

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 10 years. The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Year 1	2.12	1.88
Year 2	2.05	2.05
Year 3	2.13	2.13
Year 4	2.24	2.24
Year 5	2.34	2.34
Next 5 Years	12.68	12.68

37 Earnings per Share:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Basic Earnings per share (in Rs.)	1.85	18.46
Diluted Earnings per share (in Rs.)	1.85	18.46

Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Profit/(Loss) for the year	3.02	30.02
Earnings used in the calculation of basic earnings per share	3.02	**30.02**

Particulars	In Nos. Year ended March 31, 2024	In Nos. Year ended March 31, 2023
(a) Number of equity Shares of Rs. 10 each outstanding at the end of the year	1,62,65,267	1,62,65,267
(b) Weighted Average number of Equity Shares for the purpose of basic earnings per share	1,62,65,267	1,62,65,267

Diluted Earnings per share

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

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Earnings used in the calculation of basic earnings per share	3.02	30.02
Earnings used in the calculation of diluted earnings per share	3.02	**30.02**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

	In Nos.	In Nos.
Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Weighted average number of equity shares used in the calculation of basic earnings per share	1,62,65,267	1,62,65,267
Weighted average number of equity shares used in the calculation of diluted earnings per share	1,62,65,267	1,62,65,267

38 Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Group has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) to any persons or entities, including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries other than in the ordinary course of business.

(iv) The Company has not received any fund from any persons or entities, including foreign entities with the understanding, whether recorded in writing or otherwise that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Group has no transactions with struck off companies during the year.

(vii) Term loans were applied for the purpose they were obtained. Further, short term loans availed have not been utilised for long term purposes by the Company.

(viii) The Group has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

(ix) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(x) The Group has not revalued its property, plant and equipment(including Right of use assts)/ intangible assets/both during the current/previous year.

(xi) The Group has not entered into any scheme of arrangements as per sections 230 to 237 of the Companies Act, 2013.

39 Leases

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Current lease liabilities	4.17	2.12
Non-current lease liabilities	23.55	7.82
Total	27.72	**9.94**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

B. Movement in Lease liabilities :

The following is the movement in lease liabilities:

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	9.94	8.75
Additions	22.95	2.92
Deletions on account of disposal of subsidiary (Refer note 32)	(4.17)	-
Finance costs accrued during the period	1.06	1.38
Deletions	-	(0.07)
Payment of Lease liabilities	(2.22)	(2.55)
Effects of Foreign exchange	0.16	(0.49)
Closing balance	27.72	**9.94**

C. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at March 31, 2024	As at March 31, 2023
Less than one year	4.25	2.15
One to five years	16.95	4.64
More than five years	30.90	10.74
Total	52.10	**17.53**

D. Amounts recognised in profit or loss

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on lease liabilities	1.06	1.38
Expenses relating to short- term leases	1.45	4.48
Expenses relating to leases of low- value assets,excluding short term leases of low value assets.	-	-

E. Amounts recognized/disclosed in cash flow statement

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total cash outflows for leases	2.22	2.55

40 Contingent Liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Contingent Liabilities		
Claims against the Group not acknowledged as debt		
- Income Tax matters under appeal	17.87	17.87
- Central Excise, Service Tax and Sales tax matters under appeal	11.51	8.98
- Labour related matters under appeal	4.75	5.06
Total	34.13	**31.91**

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

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

40A Guarantees and Commitment

Particulars	As at March 31, 2024	As at March 31, 2023
Commitments		
-Estimated amount of contracts remaining to be executed on capital account and not provided for	28.63	17.45

41 Events after the reporting date

The Group has evaluated subsequent events from the balance sheet date through May 09, 2024, the date on which the consolidated financial statements were authorised for issue, and determined that there are no items to disclose.

42 Merger with Rane Brake Lining Limited (RBL) and Rane Engine Valves Limited (REVL) :

The Board of Directors of the Company in their meeting held on February 9, 2024, considered and approved the proposed scheme of amalgamation ("Scheme") wherein Rane Brake Lining Limited ("RBL") and Rane Engine Valve Limited ("REVL") would merge into the Company 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.

43 There were certain whistle blower complaints in respect of which detailed investigation is ongoing. However, based on procedures performed by the Holding Company at this stage, the Holding Company believes that underlying allegations have no material impact on these financial statements.

44 Interest in other entities

Subsidiaries

The Group's subsidiaries at March 31, 2024 and March 31, 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of Entity	Place of Business / Country of Incorporation	Ownership Interest held by the group		Ownership interest held by non-controlling interests		Principal Activities
		As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023	
Rane (Madras) International Holdings B.V (RMIH)	Netherlands	100%	100%	0%	0%	Strategic overseas investment
Rane Light Metal Castings Inc. (till 14 Sep 2023) (Refer note 32)	USA	0%	100%	0%	0%	Manufacture of High pressure aluminium die casting
Rane Automotive Components Mexico S. de R.L. de C.V.	Mexico	100%	0%	0%	0%	Manufacture of Inner ball joints and outer ball joints

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT AND FOR THE YEAR ENDED MARCH 31, 2024

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

44 Additional Information required by Schedule III

Name of the entity in the Group	Net Assets (total assets minus total liabilities)		Share in Profit or (Loss)		Share in other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated Net Assets	Amount	As % of consolidated Profit or Loss	Amount	As % of consolidated OCI	Amount	As % of consolidated TCI	Amount
Parent								
Rane (Madras) Limited								
As at March 31, 2024	102%	261.32	493%	14.88	-6%	(0.67)	99%	14.21
As at March 31, 2023	102%	247.11	-422%	(126.54)	8%	(1.28)	-946%	(127.82)
Subsidiaries								
Rane (Madras) International Holdings B.V (RMIH)								
As at March 31, 2024	-6%	(14.33)	-4668%	(140.97)	97%	10.94	-909%	(130.03)
As at March 31, 2023	-144%	(348.24)	-771%	(231.58)	120%	(19.76)	-1860%	(251.34)
Rane Light Metal Castings Inc.								
As at March 31, 2024	-	-	-1110%	(33.52)	10%	1.11	-226%	(32.41)
As at March 31, 2023	13%	32.20	-239%	(71.82)	-27%	4.53	-498%	(67.29)
Rane Automotive Components Mexico S. de R.L. de C.V.								
As at March 31, 2024	-1%	(1.98)	-63%	(1.90)	-1%	(0.09)	-14%	(1.99)
As at March 31, 2023	-	-	-	-	-	-	-	-
Consolidation adjustments								
As at March 31, 2024	4%	10.95	5448%	164.53	-	-	1150%	164.53
As at March 31, 2023	129%	310.58	1532%	459.96	-	-	3405%	459.96
Total								
As at March 31, 2024	100%	255.96	100%	3.02	100%	11.29	100%	14.31
As at March 31, 2023	100%	241.65	100%	30.02	100%	(16.51)	100%	13.51

45 Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 09, 2024.

See accompanying notes forming part of the Consolidated Financial Statements

In terms of our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration no. 101248W/W-100022

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

S Sethuraman
Partner
Membership no: 203491

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Chennai
May 09, 2024

Chennai
May 09, 2024

FORM AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries

(Information in respect of each subsidiary to be presented with amounts in INR)

₹ in Crores

S.No	Particulars	1	2	3
1	Name of the subsidiary	Rane (Madras) International Holdings, B.V	Rane Automotive Components Mexico S. de R.L. de C.V.	Rane Light Metal Castings Inc.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period			
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	EUR 1 EUR = Rs. 90.20	MXN 1 MXN = Rs. 5.03	USD 1 USD = Rs. 82.37
		INR	INR	INR
4	Share capital	-	0.01	0.00
5	Reserves & surplus	(14.33)	(1.99)	32.20
6	Total assets	25.44	46.54	-
7	Total Liabilities	39.77	48.52	-
8	Investments	-	-	-
9	Turnover (including other Income)	-	-	96.70
10	Profit before taxation	(140.97)	(1.90)	(33.52)
11	Provision for taxation	-	-	-
12	Profit after taxation	(140.97)	(1.90)	(33.52)
13	Proposed Dividend	-		-
14	% of shareholding	100%	99.99%	0%

For and on behalf of the Board of Directors

Ganesh Lakshminarayan
Director
DIN:00012583

Harish Lakshman
Chairman
DIN:00012602

Chennai
May 09, 2024

Gowri Kailasam
Manager

B Gnanasambandam
Chief Financial Officer

S Subha Shree
Company Secretary

Rane Engine Valve Limited

CIN: L74999TN1972PLC006127

Regd Office: "Maithri", 132 Cathedral Road, Chennai 600 086

visit us at: www.ranegroup.com

Statement of Unaudited Financial Results for the Quarter ended June 30, 2024

Rs. in Crores

Particulars	Quarter ended			Year ended
	June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
	Unaudited	Audited	Unaudited	Audited
1. Income				
(a) Revenue from Operations	137.12	149.82	138.01	566.75
(b) Other Income	3.90	1.37	0.52	3.59
Total Income	**141.02**	**151.19**	**138.53**	**570.34**
2. Expenses				
(a) Cost of materials consumed	54.39	59.19	56.73	233.23
(b) Purchase of stock-in-trade	3.24	2.59	2.71	10.44
(c) Changes in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	2.11	4.40	(1.31)	2.47
(d) Employee benefits expenses	36.02	32.95	35.89	139.02
(e) Finance Costs	2.59	2.46	2.79	10.19
(f) Depreciation and amortisation expense	4.85	5.00	4.69	19.02
(g) Other Expenses	34.58	34.37	33.38	134.87
Total Expenses	**137.78**	**140.96**	**134.88**	**549.24**
3. Profit / (Loss) before Exceptional items (1-2)	**3.24**	**10.23**	**3.65**	**21.10**
4. Exceptional Items (net) (Refer Note 3)	0.25	(4.20)	(1.13)	(5.42)
5. Profit / (Loss) before tax (3±4)	**3.49**	**6.03**	**2.52**	**15.68**
6. Tax expense				
(a) Current tax	1.17	1.88	0.49	3.66
(b) Deferred tax	(0.07)	(0.59)	0.29	0.56
Total Tax Expenses	**1.10**	**1.29**	**0.78**	**4.22**
7. Profit / (Loss) for the period (5-6)	**2.39**	**4.74**	**1.74**	**11.46**
8. Other Comprehensive Income (Net of Tax Expenses)	**0.19**	**0.29**	**0.07**	**0.75**
9. Total Comprehensive Income for the period (7+8) (Comprising profit / (loss) and other comprehensive income for the period)	**2.58**	**5.03**	**1.81**	**12.21**
10. Details of equity share capital				
Paid-up equity share capital (Face Value of Rs.10/- per share)	7.23	7.23	7.23	7.23
Total equity share capital	7.23	7.23	7.23	7.23
11. Other Equity excluding revaluation reserve				**113.58**
12. Earnings per share (of Rs.10/- each) (not annualised) (in Rs.)				
(a) Basic	3.31	6.56	2.47	15.93
(b) Diluted	3.31	6.56	2.47	15.93

Notes:

1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 23, 2024. The Statutory auditors have carried out limited review of these financial results.

2 The Company operates only in one segment, namely, manufacture and marketing of components for the transportation industry.

3 Exceptional items (net) represents the following:
   - i. Provision towards Customer Quality Claims:
     - a. Quarter ended June 30, 2024: INR 4.00 Crores towards claim for defective valves supplied to domestic customer.
     - b. Quarter ended June 30, 2023: INR 1.13 Crores towards claim for defective valves supplied to overseas customer.
     - c. Quarter ended March 31, 2024: INR 3.00 Crores towards claim for defective valves supplied to overseas customer.
     - d. Year ended March 31, 2024: INR 4.13 Crores (sum of (b) & (c) above) towards claim for defective valves supplied to two overseas customers.
   - ii. An income of INR 4.25 Crores has been recognized in the quarter ending June 30, 2024, which represents an insurance claim towards an overseas customer's product liability claim , the final survey report for which was received during the quarter.
   - iii. Merger related expenses of INR 1.20 Crores for the quarter and year ended March 31, 2024 and
   - iv. Voluntary Retirement Expenditure of INR 0.09 Crores for the year ended March 31, 2024.

4 The Board of Directors of the Company in their meeting held on February 09, 2024, considered and approved the proposed scheme of amalgamation ('scheme') of the Company and Rane Brake Lining Limited with and into Rane (Madras) Limited, 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. National Company Law Tribunal and such other approvals as may be required. BSE Limited and National Stock Exchange of India Limited vide their respective letters dated July 18, 2024 have issued no adverse observation / no objection to the scheme.

5 The previous period figures have been re-grouped wherever necessary to conform to current period's presentation.

6 The financial results for the quarter ended June 30, 2024 are being published in the newspaper as per the format prescribed under Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The financial results are also available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website - www.ranegroup.com.

For Rane Engine Valve Limited

HARISH LAKSHMAN
Digitally signed by HARISH LAKSHMAN
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Harish Lakshman
Chairman

Chennai
Dated : July 23, 2024

Limited Review Report

To
The Board of Directors
Rane Engine Valve Limited

We have reviewed the accompanying statement of unaudited standalone financial results of Rane Engine Valve Limited ("the Company") for the quarter ended 30th June 2024 (“the Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations”).

The preparation of this Statement in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34, (‘Ind AS 34’), “Interim Financial Reporting”, prescribed under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other Accounting Principles generally accepted in India, is the responsibility of the Company's Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410,"Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statements is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results, prepared in all material respects in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Varma & Varma
Chartered Accountants
FRN. 004532S

GEORGY MATHEW

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Date: 2024.07.23 11:29:08 +05'30'

Place : Bengaluru
Date : 23.07.2024

Georgy Mathew
Partner
M.No. 209645
UDIN : 24209645BKATOB2818

424, 4th C Main, 6th Cross, OMBR Layout, Banaswadi, Bengaluru 560043, Karnataka

Rane Brake Lining Limited
CIN : L63011TN2004PLC054948
Registered Office : "Maithri", 132 Cathedral Road, Chennai 600 086
Visit us at : http://www.ranegroup.com
Statement of unaudited financial results for the quarter ended June 30, 2024

₹ Crores

	Particulars	Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited (refer note 4)	Unaudited	Audited
1	**Income**				
	Revenue from operations	159.93	186.22	152.33	660.83
	Other income	0.57	0.52	0.73	2.14
	Total income	**160.50**	**186.74**	**153.06**	**662.97**
2	**Expenses**				
	Cost of materials consumed	92.02	95.62	83.28	357.05
	Changes in inventories of work-in-progress and finished goods	(10.14)	2.38	1.87	5.06
	Employee benefits expense	25.44	24.30	22.97	87.22
	Finance costs	-	0.03	-	0.03
	Depreciation and amortisation expense	6.11	6.31	5.13	21.84
	Other expenses	35.11	35.80	32.61	136.12
	Total expenses	**148.54**	**164.44**	**145.86**	**607.32**
3	**Profit before exceptional item and tax (1-2)**	**11.96**	**22.30**	**7.20**	**55.65**
4	**Exceptional item (refer note 5)**	**-**	**(1.22)**	**-**	**(1.22)**
5	**Profit before tax (3+4)**	**11.96**	**21.08**	**7.20**	**54.43**
6	**Tax expense**				
	(i) Current tax	3.29	5.12	1.90	12.92
	(ii) Deferred tax	(0.16)	0.57	0.12	1.23
	Total tax expense	**3.13**	**5.69**	**2.02**	**14.15**
7	**Profit for the period (5-6)**	**8.83**	**15.39**	**5.18**	**40.28**
8	**Other comprehensive income**				
	Items that will not be reclassified subsequently to profit or loss				
	(i) Re-measurement gains / (losses) on defined benefit plans	0.93	(1.30)	(0.72)	(1.42)
	(ii) Income tax effect on above	(0.23)	0.33	0.18	0.36
	Total other comprehensive income / (loss)	**0.70**	**(0.97)**	**(0.54)**	**(1.06)**
9	**Total comprehensive income for the period (7+8)** (Comprising profit and other comprehensive income / (loss) for the period)	**9.53**	**14.42**	**4.64**	**39.22**
10	Paid-up equity share capital (face value of ₹10/- each fully paid up)	7.73	7.73	7.73	7.73
11	Other equity				273.35
12	Earnings per share (EPS) (face value of ₹10/- each) (not annualised for quarters)				
	(a) Basic (in ₹)	11.42	19.91	6.70	52.11
	(b) Diluted (in ₹)	11.42	19.91	6.70	52.11

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Rane Brake Lining Limited
CIN : L63011TN2004PLC054948
Registered Office : "Maithri", 132 Cathedral Road, Chennai 600 086
Visit us at : http://www.ranegroup.com
Statement of unaudited financial results for the quarter ended June 30, 2024

Rane
Expanding Horizons

Notes:

1 The above financial results were reviewed and recommended by the Audit Committee and thereafter approved by the Board of Directors of Rane Brake Lining Limited ('the Company') at their respective meetings held on July 22, 2024. The Statutory auditors have carried out a limited review for the quarter ended June 30, 2024.

2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

3 The Company is primarily engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks for transportation industry, which in the context of Indian Accounting Standard (Ind AS) 108 Operating Segments, is considered as the only operating segment.

4 The figures for the quarter ended March 31, 2024, as reported in these financial results are the balancing figures between audited figures in respect of full financial year and the published unaudited year to date figures upto the third quarter of the relevant financial year, which were subject to limited review.

5 Exceptional item represents the amount of INR 1.22 crores during the year ended March 31, 2024, relating to proposed scheme of amalgamation.

6 The Board of Directors of the Company in their meeting held on February 09, 2024, considered and approved the proposed scheme of amalgamation ('scheme') of the Company and Rane Engine Valve Limited with and into Rane (Madras) Limited, 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, National Company Law Tribunal and such other approvals as may be required. BSE Limited and National Stock Exchange of India Limited vide their respective letters dated July 18, 2024 have issued no adverse observation / no objection to the scheme.

7 The financial results for the quarter ended June 30, 2024, are being published in the newspaper as per the format prescribed under SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The financial results are also available on the Stock Exchange websites: www.bseindia.com and www.nseindia.com and on the company's website: www.ranegroup.com.

For Rane Brake Lining Limited

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Place : Chennai
Date : July 22, 2024

Harish Lakshman
Chairman

B S R & Co. LLP
Chartered Accountants

KRM Tower, 1st and 2nd Floors
No. 1, Harrington Road, Chetpet
Chennai – 600 031, India
Telephone: +91 44 4608 3100
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Limited Review Report on unaudited financial results of Rane Brake Lining Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rane Brake Lining Limited

1. We have reviewed the accompanying Statement of unaudited financial results of Rane Brake Lining Limited (hereinafter referred to as "the Company") for the quarter ended 30 June 2024 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it

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B S R & Co. LLP

contains any material misstatement.

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

Harsh lakhotia

Harsh Vardhan Lakhotia
Partner
Membership No.: 222432
UDIN:24222432BKGUEJ8750

Chennai
22 July 2024

RANE (MADRAS) LIMITED
CIN L65993TN2004PLC052856
Regd. Office : " MAITHRI ", 132, Cathedral Road, Chennai - 600 086
visit us at: www.ranegroup.com
Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2024

(Rs. Crores)

Particulars	Standalone			
	Quarter ended			Year ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited (Refer Note 8)	Unaudited	Audited
1. Income				
(a) Revenue from operations	521.88	518.32	530.40	2,142.25
(b) Other income	0.43	1.05	1.71	2.59
Total income	**522.31**	**519.37**	**532.11**	**2,144.84**
2. Expenses				
(a) Cost of materials consumed	334.90	320.30	345.47	1,376.94
(b) Changes in inventories of finished goods and work-in-progress	(2.26)	12.95	(10.01)	(10.20)
(c) Employee benefits expense	54.62	47.28	54.79	209.66
(d) Finance costs	14.15	13.41	9.97	50.41
(e) Depreciation and amortisation expense	20.59	21.57	19.18	81.08
(f) Other expenses	90.11	111.02	89.99	385.69
Total expenses	**512.11**	**526.53**	**509.39**	**2,093.58**
3. Profit / (Loss) before exceptional items (1-2)	**10.20**	**(7.16)**	**22.72**	**51.26**
4. Exceptional Items (Refer note 4)	(0.06)	(1.60)	(18.75)	(141.91)
5. Profit / (Loss) before tax (3 ± 4)	**10.14**	**(8.76)**	**3.97**	**(90.65)**
6. Tax expense (Refer note 4)				
Current tax	-	-	1.34	-
Deferred tax	2.59	(2.21)	(0.34)	(105.53)
Total tax expenses	**2.59**	**(2.21)**	**1.00**	**(105.53)**
7. Profit / (loss) for the period/ year (5-6)	**7.55**	**(6.55)**	**2.97**	**14.88**
(A) Items that will not be reclassified to profit or loss				
(i) Remeasurement gains/(losses) on defined benefit plans, net	(0.12)	0.58	(0.94)	(0.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	(0.14)	0.24	0.23
8. Other comprehensive income	**(0.09)**	**0.44**	**(0.70)**	**(0.67)**
9. Total comprehensive income for the period/ year (7+8)	**7.46**	**(6.11)**	**2.27**	**14.21**
10. Details of equity share capital				
Paid-up equity share capital (Face Value of Rs.10 /- per share)	16.27	16.27	16.27	16.27
11. Other equity	-	-	-	245.05
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.) (Not annualised for the quarters)				
(a) Basic	4.64	(4.03)	1.83	9.15
(b) Diluted	4.64	(4.03)	1.83	9.15

RANE (MADRAS) LIMITED

CIN L65993TN2004PLC052856

Regd. Office : " MAITHRI ", 132, Cathedral Road, Chennai - 600 086

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Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024

(Rs. Crores)

Particulars	Consolidated			
	Quarter ended			Year ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	Unaudited	Audited (Refer Note 8)	Unaudited	Audited
1. Income				
(a) Revenue from operations	522.01	518.32	588.34	2,238.95
(b) Other income	1.51	0.96	1.61	4.58
Total income	**523.52**	**519.28**	**589.95**	**2,243.53**
2. Expenses				
(a) Cost of materials consumed	334.91	320.54	369.58	1,419.42
(b) Changes in inventories of finished goods and work-in-progress	(2.26)	12.95	(8.52)	(11.30)
(c) Employee benefits expense	54.68	47.32	78.36	251.37
(d) Finance costs	14.83	13.87	14.40	56.37
(e) Depreciation and amortisation expense	21.14	21.92	24.32	91.03
(f) Other expenses	94.16	112.66	106.53	433.34
Total expenses	**517.46**	**529.26**	**584.67**	**2,240.23**
3. Profit / (Loss) before exceptional items (1-2)	**6.06**	**(9.98)**	**5.28**	**3.30**
4. Exceptional Items (Refer note 4)	(0.06)	(1.60)	(18.75)	(105.81)
5. Profit / (Loss) before tax (3 ± 4)	**6.00**	**(11.58)**	**(13.47)**	**(102.51)**
6. Tax expense (Refer note 4)				
Current tax	-	-	1.34	-
Deferred tax	2.59	(2.21)	(0.34)	(105.53)
Total tax expenses	**2.59**	**(2.21)**	**1.00**	**(105.53)**
7. Profit / (loss) for the period/ year (5-6)	**3.41**	**(9.37)**	**(14.47)**	**3.02**
(A) Items that will not be reclassified to profit or loss				
(i) Remeasurement gains/(losses) on defined benefit plans, net	(0.12)	0.58	(0.94)	(0.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.03	(0.14)	0.24	0.23
Subtotal - A	**(0.09)**	**0.44**	**(0.70)**	**(0.67)**
(B) Items that will be reclassified to profit or loss				
(i) Exchange differences on translating financial statements of foreign operations	0.42	0.44	1.52	11.96
(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Subtotal - B	**0.42**	**0.44**	**1.52**	**11.96**
8. Other comprehensive income	**0.33**	**0.88**	**0.82**	**11.29**
9. Total comprehensive income for the period/ year (7+8)	**3.74**	**(8.49)**	**(13.65)**	**14.31**
10. Details of equity share capital				
Paid-up equity share capital (Face Value of Rs.10 /- per share)	16.27	16.27	16.27	16.27
11. Other equity	-	-	-	239.69
12. Earnings per share (EPS) (of Rs.10/- each) (Amount in Rs.) (Not annualised for the quarters)				
(a) Basic	2.10	(5.76)	(8.90)	1.85
(b) Diluted	2.10	(5.76)	(8.90)	1.85

Notes to the unaudited Standalone and Consolidated Financial Results for the quarter ended June 30, 2024

1 The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on July 24, 2024.

2 The above financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3 Rane (Madras) Limited ('the Company') and its subsidiaries (collectively referred to as 'the Group') are engaged in the manufacture of components primarily for Transportation industry, which in the context of Indian Accounting Standard (Ind AS) 108 – Operating Segments, is considered as the only operating segment of the Group.

4 Exceptional items comprise:
- In the standalone and consolidated financial results: For the quarters ended June 30, 2024 and March 31, 2024, exceptional items amounting to Rs. 0.06 crores and Rs. 1.60 crores respectively, primarily comprises of expenses related to proposed scheme of amalgamation. For the quarter ended June 30, 2023, exceptional items amounting to Rs. 18.75 crores primarily comprise of provision for one time warranty related costs and expenditure towards Voluntary Retirement Scheme. For the year ended March 31, 2024, exceptional items includes Rs. 20.35 crores which primarily comprise of provision for one time warranty related costs, expenses related to proposed scheme of amalgamation and expenditure towards Voluntary Retirement Scheme.
- Pursuant to the approval of the Board of Directors and Shareholders of the Company, Rane Madras International Holdings B.V. (the Company's subsidiary) has sold its entire stake in Rane Light Metal Castings Inc. (LMCA) (the Company's step-down subsidiary) on September 14, 2023 for a consideration of USD 4.9 million. Accordingly, for the year ended March 31, 2024, the Company had recorded a fair value loss aggregating to Rs. 121.56 crores in the standalone financial results and loss on sale of the aforesaid step down subsidiary aggregating to Rs. 85.46 crores in the consolidated financial results as an exceptional item.
Consequent to the sale of LMCA, Rane Madras International Holdings B.V., has carried out a reduction of capital in the equity and non-convertible redeemable preference shares issued to the Company. The Company has determined that it is eligible to claim the tax benefit arising from such losses and had accordingly recorded a deferred tax asset of Rs. 113.34 crores in the year ended March 31, 2024. The Company has also obtained legal advice on this matter and believes that it will have sufficient future taxable profits to fully utilize this deferred tax asset.

5 Consequent to sale of LMCA, the Group has consolidated the financial performance of LMCA till September 14, 2023 and the assets / liabilities of LMCA were de-recognized in the consolidated balance sheet on September 14, 2023.

6 The Board of Directors of the Company in their meeting held on February 09, 2024, considered and approved the proposed scheme of amalgamation ("Scheme") wherein Rane Brake Lining Limited ("RBL") and Rane Engine Valve Limited ("REVL") would merge into the Company 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, National Company Law Tribunal and such other approvals as may be required. BSE Limited and National Stock Exchange of India Limited vide their respective letters dated July 18, 2024 have issued no adverse observation / no objection to the scheme.

7 During the year ended March 31, 2024, the Company had set up a new subsidiary Rane Automotive Components S. de R.L. de C.V. and is currently in the process of setting up the manufacturing facility. Accordingly the Consolidated financial results include the financial performance of this subsidiary effective from the year ended March 31, 2024.

8 The figures for the quarter ended March 31, 2024 as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published unaudited year to date figures up to the end of the third quarter of the relevant financial year.

9 The Standalone and Consolidated financial results for the quarter ended June 30, 2024 are being published in the newspaper as per the format prescribed under Regulation 33 of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015. The Standalone and Consolidated financial results are also available on the Stock Exchange websites of BSE (www.bseindia.com) and NSE (www.nseindia.com) and on the Company's website viz., www.ranegroup.com.

For Rane (Madras) Limited

HARISH LAKSHMAN Digitally signed by HARISH LAKSHMAN Date: 2024.07.24 11:55:52 +05'30'

Chennai
July 24, 2024

Harish Lakshman
Chairman

B S R & Co. LLP
Chartered Accountants

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Limited Review Report on unaudited standalone financial results of Rane (Madras) Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rane (Madras) Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of Rane (Madras) Limited (hereinafter referred to as "the Company") for the quarter ended 30 June 2024 ("the Statement").

2. This Statement, which is the responsibility of the Company's management and approved by its Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations"). Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity",* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it

contains any material misstatement.

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

SETHURAMAN SIVARAMAKRISHNAN

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Date: 2024.07.24 12:10:52 +05'30'

S Sethuraman
Partner
Membership No.: 203491
UDIN:24203491BKCQQN9488

Chennai
24 July 2024

B S R & Co. LLP
Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of Rane (Madras) Limited for the quarter ended 30 June 2024 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Rane (Madras) Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Rane (Madras) Limited (hereinafter referred to as “the Parent”), and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”) for the quarter ended 30 June 2024 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “*Interim Financial Reporting*” (“Ind AS 34”), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”,* issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.
4. The Statement includes the results of the following entities:
   a. Rane (Madras) Limited (Parent Company), Rane (Madras) International Holdings, B.V. (Subsidiary), and Rane Auto Components Mexico S de RL de CV (Subsidiary).
5. Attention is drawn to the fact that the figures for the three months ended 31 March 2024 as reported in the Statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
6. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. The Statement includes the interim financial information of 2 Subsidiaries which have not been reviewed, whose interim financial information reflect Company's share of total revenues of Rs. 0.13 crores, Company's share of total net loss after tax of Rs. 4.14 crores and Company's share of total comprehensive loss of Rs. 3.72 crores, for the quarter ended 30 June 2024, as considered in the Statement. According to the information and explanations given to us by the Parent's management, these interim financial information are not material to the Group.

   Our conclusion is not modified in respect of this matter.

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

Chartered Accountants

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

SETHURAMAN SIVARAMAKRISHNAN

Digitally signed by SETHURAMAN SIVARAMAKRISHNAN
Date: 2024.07.24 12:11:45 +05'30'

S Sethuraman

Partner

Chennai

Membership No.: 203491

24 July 2024

UDIN:24203491BKCQQO3872

IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **25.09.2024** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

APPLICATION NUMBER	**:** CA(CAA)/51(CHE)/2024
PETITION NUMBER	**:**
NAME OF THE PETITIONER(S)	**:** Rane Engine Valve Ltd and Others
NAME OF THE RESPONDENTS	**:**
UNDER SECTION	**:** Sec 230-232 of CA, 2013

ORDER

Present: Ld. Counsel Shri. Niranjan S. Rao for the Applicant.

Vide separate order pronounced in Open Court, the application is **allowed**.

Sd/-
(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

Sd/-
(SANJIV JAIN)
MEMBER (JUDICIAL)

MG

IN THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH - I, CHENNAI

CA(CAA)/51/(CHE)/2024

(Under Sections 230 to 232 of the Companies Act, 2013)

In the matter of Composite Scheme of Arrangement(Demerger) and Amalgamation between TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited, Ki Mobility Solutions Private Limited and their Respective Shareholders

RANE ENGINE VALVE LIMITED
CIN: L74999TN1972PLC006127
Having its registered office at,
Maithri, 132, Cathedral Road
Chennai, Tamil Nadu – 600086

…Applicant Company-1/First Transferor Company

And

RANE BRAKE LINING LIMTIED
CIN: L63011TN2004PLC054948
Having its registered office at
Maithri, 132, Cathedral Road
Chennai, Tamil Nadu – 600086

... Applicant Company-2/Second Transferor Company

RANE (MADRAS) LIMITED
CIN: L65993TN2004PLC052856
Having its registered office at
Maithri, 132, Cathedral Road
Chennai, Tamil Nadu – 600086

…Applicant Company-3/Transferee Company

Order Pronounced on ***25th September, 2024***

CORAM:

SANJIV JAIN, MEMBER (JUDICIAL)
VENKAT RAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Applicant(s): T.K.Bhaskar, Advocate

<u>O R D E R</u>

This is a Joint Application filed by **Rane Engine Valve Limited** (hereinafter "Applicant Company-1/First Transferor Company"), **RANE BRAKE LINING LIMITED** (hereinafter "Applicant Company-2/Second Transferor Company") along with **RANE (MADRAS) LIMITED** (hereinafter "Applicant Company-3/ Transferee Company") and its Shareholders under section 230-232 of Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in relation to the Scheme of Amalgation (hereinafter referred to as the "SCHEME") proposed by the Applicant Companies herein with its Shareholders. The said Scheme is placed at **Page 934-937** of the Application Typeset.

2. The Applicant Companies in this Company Application have sought for the following reliefs;

	[illegible]	[illegible]	[illegible]	[illegible]
TRANSFEROR 1	[illegible]	[illegible]	[illegible]	[illegible]
TRANSFEROR 2	[illegible]	[illegible]	[illegible]	[illegible]
TRANSFEREE	[illegible]	[illegible]	[illegible]	[illegible]

3. It is stated that, (i) The Applicant Company 1 is a listed public limited Company incorporated on 09.03.1972 with L74999TN1972PLC006127 and the authorized, issued, subscribed and paid-up capital of the Applicant Company-1 as on 30.06.2024 as averred in the Application are as follows:-

Particulars	**Amount in Rs.**
Authorised Share Capital	
1,23,50,000 equity shares of Rs. 10/- each 1,50,000 Preference Shares of Rs.10/-each	12,35,00,000/- 15,00,000/-
Total	12,50,00,000/-
Issued Subscribed and paid up share capital	
72,34,455 Equity Shares of Rs.10/- each	7,23,44,550/-
Total	7,23,44,550/-

(ii) The Applicant Company-2 is a listed public limited Company incorporated on 17.12.2004 with L63011TN2004PLC054948. The authorized, issued, subscribed and paid up capital of the Applicant Company-2 as on 30.06.2024 as averred in the Application are as follows:-

Particulars	**Amount in Rs.**
Authorised Share Capital	

1,00,00,000 equity shares of Rs.10/- each	10,00,00,000/-
Total	**10,00,00,000/-**
Issued, subscribed and paid up share capital	
77,29,871 equity shares of Rs. 10/- each	7,72,98,710/-
Total	**7,72,98,710/-**

(iii) The Applicant Company-3 is a listed public limited company incorporated on 31.03.2004 with CIN: L65993TN2004PLC052856. The authorized, issued, subscribed and paid up capital of the Applicant Company-3 as on 30.06.2024 as averred in the Application are as follows:-

Particulars	**Amount in Rs.**
Authorised Share Capital	
2,50,00,000 equity shares of Rs.10/- each 1,05,00,000 Preference Shares of Rs. 10/- each	25,00,00,000/- 10,50,00,000/-
Total	**35,50,00,000/-**
Issued, subscribed and paid up share capital	
1,62,65,267 equity shares of Rs. 10/- each	16,26,52,670/-
Total	**16,26,52,670/-**

4. It is stated that this Application has been filed in relation to a Scheme of Amalgamation between Applicant Company-1(Rane Engine

Valve Limited), Applicant Company-2 (Rane Brake Valve Lining Limited), Applicant Company-3 **(Rane (Madras) Limited)** and its Shareholders.

5. Affidavit in support of the above application sworn for and on behalf of the Applicant Company-1 has been filed by 'Mr. S Anand" in the capacity of authorised signatory of Applicant Company-1. Affidavit for and on behalf of the Applicant Company-2 has been filed by 'Mr. Venkatraman" in the capacity of authorized signatory of the Applicant Company-2. Further, an Affidavit for and on behalf of the Applicant Company-3 has been filed by 'Mr. S Subha Shree" in the capacity of authorized signatory of the Applicant Company-3. The same are annexed along with the Application at **pages 39-47** of this Application typeset. It is also represented that the registered office of all the Applicant Companies are situated at Madurai, Tamil Nadu and therefore they are within the jurisdiction of this Tribunal.

6. The Steps involved in the scheme as provided by the Applicants is extracted hereunder:

Enlist the Steps involved in the scheme (in brief)	Amalgamation of Transferor Company 1 and Transferor Company 2 with and into Transferee Company, and dissolution of Transferor Company 1 and Transferor Company 2 without the process of winding up.

7. The Applicants have submitted the following details regarding Dispensation and Convening of Meeting in accordance with the Consent Affidavit filed with the Scheme

RELIEFS SOUGHT

In view of the facts mentioned above, the Applicants pray for the following reliefs:

a. Pass appropriate directions for publication of the notice, convening and conducting the proposed meeting of Equity Shareholders of the First Applicant Company, Second Applicant Company and Third Applicant Company under Section 230 of the Companies Act, 2013; and

b. Dispense with the convening, holding and conducting of the meeting and publication of the notice of the meeting of the Secured Creditors of the First Applicant Company, Second Applicant Company and Third Applicant Company; and

.

c. Pass appropriate directions for publication of the notice, convening and conducting the proposed meeting of Unsecured Creditors of the First Applicant Company, Second Applicant Company and Third Applicant Company under Section 230 of the Companies Act, 2013; and

Pass such further or other orders as this Hon'ble Tribunal may deem fit and proper in the circumstances of the case and render justice.

8. We have perused the application and the connected documents/papers filed therewith including the Scheme contemplated by the Applicant companies.

9. The Applicant Companies have filed the Memorandum and Articles of Association *inter alia* delineating their object clauses as well as their last available Audited Financial Statements for the year ended 31.03.2024 and Provisional/ Unaudited Financial Statements as on 30.06.2024.

10. The Board of Directors of the Applicant Company-1, Applicant Company-2 and Applicant Company-3, vide meeting held on 09.02.2024, have unanimously approved the proposed Scheme as contemplated above. (Copies of the resolutions passed individually thereon have been placed on record by the Applicant Companies.)

11. The Appointed date as specified in the Scheme is **01.04.2024.**

12. The Statutory Auditors of the Applicant Companies have examined the Scheme in terms of provisions of Sec. 232 of Companies Act, 2013 and the rules made thereunder and certified that the Accounting Standards are in compliance with Section 133 of the

Companies Act, 2013. The Accounting Treatment Certificates for the Applicant Companies are annexed along with the Application.

13. The Applicant companies have also attached the observation letter issued by Bombay Stock Exchange (BSE) and National Stock Exchange of India Limited (NSE) along with the **Application at page 927-933**.

14. Taking into consideration the Application filed by the Applicant Companies and the documents filed therewith as well as the position of law, this Tribunal issues the following directions: -

15A. RANE ENGINE VALVE LIMITED (APPLICANT COMPANY-1/FIRST TRANSFEROR COMPANY)

I. <u>EQUITY SHAREHOLDERS</u>

(i) It is represented that, there are **8619(Eight Thousand Six Hundred Nineteen) as on 09/08/2024** Equity Shareholders. The Certificate issued by the Chartered Accountant certifying the list of Equity Shareholders is placed at **Page No. 223-226** of the application. The Applicant Company-1 has sought for convening, holding and conducting the meeting.

(ii) Meeting of the Equity Shareholders of the Applicant Company-1 is **directed to be held on 08/11/2024** at **10.00 AM** at the registered office of the Applicant Company-1 or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

II. SECURED CREDITORS

(i) It is represented that, there are **05 (Five) Secured Creditors** whose consent affidavits amounting to 100% of the total credit value are placed at **Pages:- 231-284.** The Certificate issued by the Chartered Accountant certifying the list of Secured Creditors is placed at **Page No. 227-230** of the application. The Applicant Company-1 has sought for dispensing with the meeting.

(ii) Since it is represented by the Applicant Company-1 that, 05 **(Five) Secured Creditors**, whose consent affidavit amounting to 100% of secured credit are placed on record, the necessity for convening, holding and conducting the meeting is **dispensed with**.

III. <u>UNSECURED CREDITORS</u>

(i) It is represented that, there are **564 (Five Hundred Sixty Four)** Unsecured Creditors for Applicant Company-1. The Certificate issued by the Chartered Accountant certifying the list of Unsecured Creditors is placed at **Page No. 285-313** of the application. The Applicant Company-1 has sought for convening, holding and conducting the meeting.

(ii) Meeting of the Unsecured Creditors of the Applicant Company-1 is **directed to be held on 08/11/2024** at **12.00 PM** at the registered office of the Applicant Company-1 or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices

15(B). RANE BRAKE LINING LIMITED (APPLICANT COMPANY-2/ SECOND TRANSFEROR COMPANY)

I. <u>EQUITY SHAREHOLDERS</u>

(i) It is represented that, there are **18,682 (Eighteen Thousand Six Hundred Eighty Two) as on 09/08/2024** Equity Shareholders. The Certificate issued by the Chartered

Accountant certifying the list of Equity Shareholders is placed at **Page No. 465-468** of the application. The Applicant Company-2 has sought for convening, holding and conducting the meeting.

(ii) Meeting of the Equity Shareholders of the Applicant Company-2 is **directed to be held on 08/11/2024** at **04.00 PM** at the registered office of the Applicant Company-2 or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

II. SECURED CREDITORS

(i) It is represented that, there are **02 (Two) Secured Creditors** whose consent affidavits amounting to 100% of the total credit value are placed at **Pages:- 473-499.** The Certificate issued by the Chartered Accountant certifying the list of Secured Creditors is placed at **Page No. 469-472** of the application. The Applicant Company-2 has sought for dispensing with the meeting.

(ii) Since it is represented by the Applicant Company-2 that, 02 **(Two) Secured Creditors**, whose consent affidavit amounting to 100% of secured credit are placed on record, the necessity for convening, holding and conducting the meeting is **dispensed with**.

III. <u>UNSECURED CREDITORS</u>

(i) It is represented that, there are **709 (Seven Hundred And Nine)** Unsecured Creditors for Applicant Company-2. The Certificate issued by the Chartered Accountant certifying the list of Unsecured Creditors is placed at **Page No. 500-545** of the application. The Applicant Company-2 has sought for convening, holding and conducting the meeting.

(ii) Meeting of the Unsecured Creditors of the Applicant Company-2 is **directed to be held on 09/11/2024** at **10.00 AM** at the registered office of the Applicant Company-2 or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices

15(C). RANE (MADRAS) LIMITED

(APPLICANT COMPANY-3/ TRANSFEREE COMPANY)

I. EQUITY SHAREHOLDERS

(i) It is represented that, there are **13,259 (Thirteen Thousand Two Hundred And Fifty Nine) as on 09/08/2024** Equity Shareholders. The Certificate issued by the Chartered Accountant certifying the list of Equity Shareholders is placed at **Page No. 736-739** of the application. The Applicant Company-3 has sought for convening, holding and conducting the meeting.

(ii) Meeting of the Equity Shareholders of the Applicant Company-3 is **directed to be held on 09/11/2024** at **12.00 PM** at the registered office of the Applicant Company-3 or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

II. SECURED CREDITORS

(i) It is represented that, there are **12 (Twelve) Secured Creditors** whose consent affidavits amounting to 100% of the total credit value are placed at **Pages:- 744-865.** The Certificate issued by the Chartered Accountant certifying the list of Secured Creditors is placed at **Page No. 740-743** of the application. The Applicant Company-3 has sought for dispensing with the meeting.

(ii) Since it is represented by the Applicant Company-3 that, **12 (Twelve) Secured Creditors**, whose consent affidavit amounting to 100% of secured credit are placed on record, the necessity for convening, holding and conducting the meeting is **dispensed with**.

III. UNSECURED CREDITORS

(i) It is represented that, there are **746 (Seven Hundred Sixty Four)** Unsecured Creditors for Applicant Company-3. The Certificate issued by the Chartered Accountant certifying the list of Unsecured Creditors is placed at **Page No. 866-896** of the application. The Applicant Company-3 has sought for convening, holding and conducting the meeting.

(ii) Meeting of the Unsecured Creditors of the Applicant Company-3 is **directed to be held on 09/11/2024** at **04.00 PM** at the registered office of the Applicant Company-3 or through video conferencing or at any other suitable place for which prior approval shall be sought from this Tribunal within a period of 7 days from the date of this order and prior to the issue of notices.

16. The quorum for the meeting of the Applicant companies shall be as follows;

a) Applicant Company-1/First Transferor Company

S.No	Class	Quorum	Date & Time of Meeting
1.	Equity Shareholders	1724	08/11/2024 at 10.00AM
2.	Unsecured Creditors	113	08/11/2024 at 12.00 PM

b) Applicant Company-2/Second Transferor Company

S.No	Class	Quorum	Date & Time of Meeting
1.	Equity Shareholders	3737	08/11/2024 at 04.00PM
2.	Unsecured Creditors	142	09/11/2024 at 10.00 AM

c) Applicant Company-3/Transferee Company

S.No	Class	Quorum	Date & Time of Meeting
1.	Equity Shareholders	2652	09/11/2024 at 12.00 PM
2.	Unsecured Creditors	150	09/11/2024 at 04.00 PM

i) The Chairperson appointed for the above said meetings shall be **Mr. P.S.N. Prasad, (*Mob: 96194 77495*).** The Fee of the Chairperson for the aforesaid meeting shall be ***Rs. 1,80,000 (One lakh Eighty Thousand Rupees)*** in addition to meeting his incidental expenses if any. The Chairperson(s) will file the reports of the meeting within a week from the date of holding of the above said meetings.

ii) **Mr. Raymond, (Mob: 96771 72756),** appointed as a Scrutinizer and would be entitled to a fee of **Rs. *1,00,000 (One Lakh Rupees)*** for services in addition to meeting incidental expenses if any.

iii) In case the quorum as noted above, for the above meeting of the Applicant Companies is not present at the meeting, then the meeting shall be adjourned by half an hour, and thereafter the person(s) present and voting shall be deemed to constitute the quorum. For the purpose of computing the quorum the valid proxies shall also be considered, if the proxy in the prescribed form, duly signed by the person entitled to attend and vote at the meeting, is filed with the registered office of the applicant companies at least 48 hours before the meeting. The Chairperson appointed herein along with Scrutinizer shall ensure that the proxy registers are properly maintained. However, every endeavour should be made by the applicant companies to attain at least the quorum fixed, if not more in relation to approval of the scheme.

iv) The meetings shall be conducted as per applicable procedure prescribed under the MCA Circular MCA General Circular Nos. (i) 20/2020 dated 5th May, 2020 (AGM Circular), (ii) 14/2020, dated 08.04.2020 (EGM Circular-I) and (iii) 17/2020 dated 13.04.2020 (EGM Circular-II);

v) That individual notices of the above said meetings shall be sent by the Applicant Companies through registered post or speed post or through courier or e-mail, 30 days in advance before the scheduled date of the meeting, indicating the day, date, the place and the time as aforesaid, together with a copy of Scheme, copy of explanatory statement, required to be sent under the Companies

Act, 2013 and the prescribed form of proxy shall also be sent along and in addition to the above any other documents as may be prescribed under the Act or rules may also be duly sent with the notice.

vi) That the Applicant Company shall publish advertisement with a gap of atleast 30 clear days before the aforesaid meetings, indicating the day, date and the place and time as aforesaid, to be published in the English Daily ***"Business Standard(All India Edition, Navbharat Times(Hindi All India Edition)*** & ***Hindu Thamizh (Tamil Nadu Edition)*** in Vernacular stating the copies of Scheme, the Explanatory Statement required to be furnished pursuant to Section 230 of the Companies Act, 2013 and the form of proxy shall be provided free of charge at the registered office of the respective Applicant Companies.

vii) The Chairperson shall as aforestated be responsible to report the result of the meeting within a period of 3 days of the conclusion of the meeting with details of voting on the proposed scheme.

viii) The company shall individually send notice to concerned Regional Director, MCA, Registrar of Companies, Official Liquidator and the Income Tax Authorities, SEBI, NSE, BSE as well as other Sectoral regulators who may have significant bearing on the operation of the applicant companies or the Scheme *per se* along with copy of required documents and disclosures required under the provisions of Companies Act, 2013 read with Companies (Compromises, Arrangements, Amalgamations) Rules, 2016.

ix) The Applicant Company shall further furnish copy of the Scheme free of charge within 1 day of any requisition for the Scheme made by every creditor or member of the applicant companies entitled to attend the meetings as aforesaid.

x) The Authorized Representative of the Applicant Company shall furnish an affidavit of service of notice of meetings and publication of advertisement and compliance of all directions contained herein at least a week before the proposed meetings.

xi) All the aforesaid directions are to be complied with strictly in accordance with the applicable law including forms and formats contained in the Companies (Compromises, Arrangements, Amalgamations) Rules, 2016 as well as the provisions of the Companies Act, 2013 by the Applicants.

17. This Application stands **allowed** on the aforesaid terms.

-Sd-	**-Sd-**
VENKATARAMAN SUBRAMANIAM	**SANJIV JAIN**
Member (Technical)	Member (Judicial)

Kishore

IN THE NATIONAL COMPANY LAW TRIBUNAL
SPECIAL BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **01.10.2024** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. JYOTI KUMAR TRIPATHI, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF **:** Rane Engine Valve Ltd and Others

MAIN PETITION NUMBER **:** CA(CAA)/51(CHE)/2024

(IA/MA) APPLICATION NUMBERS

IA(CA)/190(CHE)/2024; IA(CA)/191(CHE)/2024

ORDER

IA(CA)/190(CHE)/2024

Present: Ld. Counsel Shri. T.K. Bhaskar for the Applicant.

1. This Application **IA(CA)/190/CHE/2024** has been filed by the Applicant Companies under Rule 11 of NCLT Rules, 2016 seeking modifications of the Order dated 25.09.2024 in respect of date, time and quorum of the meetings of unsecured creditors and equity shareholders.

2. This Tribunal vide order dated 25.09.2024 in **CA(CAA)/51/CHE/2024** ordered for meetings of the Applicant companies equity shareholders and unsecured creditors as follows:

a) Applicant Company-1/First Transferor Company/ Rane Engine Valve Limited

S.NO	CLASS	QUORUM	DATE & TIME OF MEETING
1.	EQUITY SHAREHOLDERS	1724	08/11/2024 at 10.00AM
2.	UNSECURED CREDITORS	113	08/11/2024 at 12.00 PM

b) Applicant Company-2/Second Transferor Company/ Rane Brake Lining Limited

S.NO	CLASS	QUORUM	DATE & TIME OF MEETING
1.	EQUITY SHAREHOLDERS	3737	08/11/2024 at 04.00PM
2.	UNSECURED CREDITORS	142	09/11/2024 at 10.00 AM

c) Applicant Company-3/Transferee Company/ Rane(Madras) Limited

S.NO	CLASS	QUORUM	DATE & TIME OF MEETING
1.	EQUITY SHAREHOLDERS	2652	09/11/2024 at 12.00 PM
2.	UNSECURED CREDITORS	150	09/11/2024 at 04.00 PM

3. It is stated by the Ld. Counsel for the Applicant that, all three Applicant Companies are public and listed companies and the total members of each of the said companies exceeds 5,000(five thousand). Section 103(a)(iii) of the Companies Act, 2013 provides the quorum for meetings of the members of a public company as 30 members, if the number of members as on the date of the meeting exceeds five thousand. Further, it is stated that, the attendance and

participation of shareholders' meetings of each of the three Applicant Companies has been minimal, as tabulated below:

Year	REVL		RBL		RML	
	Entitled	Attended	Entitled	Attended	Entitled	Attended
2024	8,577	51	18,088	40	13,349	55
2023	8,199	52	16,567	54	15,671	60
2022	8,394	41	17,980	47	18,751	46
	Average	48		47		54

4. The Applicant has also requested for reducing the quorum fixed for the meetings of the unsecured creditors of Applicant Companies to 10 each.

5. Further it is stated that, the process of drafting, issuance and dispatch of notices to all the said shareholders as well as other stakeholders and statutory authorities will require a minimum period of 30 days. Thus, the Ld. Counsel for the Applicant has requested for change of date from 08/11/2024 and 09/11/2024 to 20/11/2024 and 21/11/2024.

6. Since, Section 103 (a)(iii) of Companies Act, 2013 provides the quorum for meetings of the members of a public company as 30 members and as the participation of previous years shareholders' meetings of each of the three Applicant Companies has been minimal, we are of the considered opinion to modify the quorum fixed for meetings of equity shareholders of the Applicant companies as requested. Further, in respect to fixing the date of meetings, as requested by the Ld Counsel for the Applicant, the date of meetings shall be

modified to 20/11/2024 and 21/11/2024. In relation to reducing the quorum fixed for meetings of unsecured creditors of the Applicant Companies, we are of the considered opinion to not make any modifications.

7. Thus, **the quorum and time of the meetings of the Applicant companies shall stand modified as tabulated below**:

a) Applicant Company-1/First Transferor Company/Rane Engine Valve Limited

S.No	Class	Quorum	Date & Time of Meeting
1.	Equity Shareholders	30	20/11/2024 at 09.30 AM
2.	Unsecured Creditors	113	21/11/2024 at 09.30 AM

b) Applicant Company-2/Second Transferor Company/Rane Brake Lining Limited

S.No	Class	Quorum	Date & Time of Meeting
1.	Equity Shareholders	30	20/11/2024 at 12.00PM
2.	Unsecured Creditors	142	21/11/2024 at 12.00PM

c) Applicant Company-3/Transferee Company/ Rane(Madras) Limited

S.No	Class	Quorum	Date & Time of Meeting
1.	Equity Shareholders	30	20/11/2024 at 04.00 PM
2.	Unsecured Creditors	150	21/11/2024 at 04.00 PM

8. **Accordingly, this IA(CA)/190/CHE/2024 is disposed of.** The above mentioned modifications shall form part of the order dated **25.09.2024** in **CA(CAA)/51/CHE/2024.**

IA(CA)/191(CHE)/2024

Present: Ld. Counsel Shri. T.K. Bhaskar for the Applicant.

1. This Application **IA(CA)/191/CHE/2024** has been filed by the Applicant Companies seeking rectifications and corrections in the order dated 25.09.2024 passed in **CA(CAA)/51/CHE/2024**. It is seen that certain typographical errors have crept in, thus, in exercise of powers conferred under Rule 154 of National Company Law Tribunal Rules, 2016, the Order dated 25.09.2024 is rectified as under and the same shall form a part of order dated 25.09.2024.

i) At Page 1, Cause title of the Order, "*In the matter of Composite Scheme of Arrangement(Demerger) and Amalgamation between TVS Automobile Solutions Private Limited, TASL Automobile Solutions Private Limited, Ki Mobility Solutions Private Limited and their Respective Shareholders*" shall be read as ***"..In the matter of scheme of Amalgamation between Rane Engine Valve Limited and Rane Brake Lining Limited into Rane (Madras) Limited"***

ii) At Page 2, para 1 *".....The said Scheme is placed at Page 934-937 of the Application Typeset.*" shall be read as ***".... The said scheme is placed at Page 934-977 of the Scheme."***

iii) At Page 5 of 18, para 4 (First Line, Top of Page), *" ..... Applicant Company-2 (Rane Brake Valve Lining Limited)..."* shall be read as ***" ..... Applicant Company-2 (Rane Brake Lining Limited)..."***

iv) At page 5 of 18, para 5 , ".... Applicant Company-3 has been filed by 'Mr. S Subha Shree" in the capacity of authorized signatory..." **SHALL BE READ AS** ***".... Applicant Company-3 has been filed by 'Ms. S Subha Shree" in the capacity of authorized signatory...".***

v) At page 5 of 18, para 5 , "...It is also represented that the registered office of all the Applicant Companies are situated at Madurai, Tamil Nadu and therefore they are within the jurisdiction of this Tribunal." shall be read as ***"...It is also represented that the registered office of all the Applicant Companies are situated at Chennai, Tamil Nadu and therefore they are within the jurisdiction of this Tribunal."***

vi) At page 14 of 18, para 15(C)(III)(i), "It is represented that, there are 746 (Seven Hundred Sixty Four**)** Unsecured Creditors for Applicant Company-3" shall be read as **"*It is represented that, there are 746***

(Seven Hundred Forty Six) Unsecured Creditors for Applicant Company-3"

2. Accordingly, this **IA(CA)/191/CHE/2024** stands **allowed** and **disposed of**. The above mentioned typographical errors had inadvertently crept in and the rectifications made in this **IA(CA)/191/CHE/2024** shall form part of the Order dated **25.09.2024** in **CA(CAA)/51/CHE/2024.**

Sd/-	**Sd/-**
(VENKATARAMAN SUBRAMANIAM)	**(JYOTI KUMAR TRIPATHI)**
MEMBER (TECHNICAL)	MEMBER (JUDICIAL)

MG