

Registered Office:

"Maithri", No. 132,
Cathedral Road,
Chennai - 600 086,
India

Tel: 91 44 2811 2472
Fax: 91 44 2811 2449
URL: www.ranegroup.com

CIN: L35999TN1936PLC002202



Rane Holdings Limited

//Online submission//

RHL/SE/22/2020-21

July 17, 2020

BSE Limited (BSE) Listing Centre Scrip Code: 505800	National Stock Exchange of India Limited (NSE) NEAPS Symbol: RANEHOLDIN
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Dear Sir / Madam,

Sub: Notice of the 84th Annual General Meeting & 84th Annual Report FY 2019-20 - Regulation 34 SEBI LODR

The **Eighty Fourth Annual General Meeting** (84th AGM) is scheduled to be held on **Friday, August 14, 2020 at 15:00 hrs IST** through **Video Conference (VC) / Other Audio Visual Means (OAVM)**. In terms of regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) the copy of 84th Annual Report along with the Notice of the 84thAGM dated June 24, 2020 being sent to the shareholders of the Company, is enclosed herewith and the same is also available on the website of the Company at www.ranegroup.com.

The Company has engaged Central Depository Services (India) Limited ("CDSL") for providing E-voting services and VC/OAVM facility for this AGM. Details of e-voting are as follows:

Cut-off date for determining eligibility for the remote e-voting& poll at the AGM	August 07, 2020 (Friday)
e-Voting start date and time	August 11, 2020 (Tuesday) and 09:00 hrs IST
e-Voting end date and time	August 13, 2020 (Thursday) and 17:00 hrs IST

We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and disseminate to the stakeholders.

Thanking you.

For Rane Holdings Limited

SIVA
CHANDRASE
KARAN

Digitally signed by
SIVA
CHANDRASEKARAN
Date: 2020.07.17
16:29:27 +05'30'

Siva Chandrasekaran
Secretary

Encl.: a/a



Rane Holdings Limited

84th Annual Report 2019-20

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FINANCIAL HIGHLIGHTS - STANDALONE

OPERATIONAL PERFORMANCE

(₹ in Crores)

FINANCIAL YEAR	FY20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Total Income	97.78	128.49	97.09	98.81	75.85	59.94	53.50	57.73	63.91	48.42
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	62.42	90.96	62.40	66.94	46.29	33.99	29.16	34.49	41.05	46.76
Profit Before Tax (PBT)	57.04	87.49	58.79	62.75	42.90	32.68	27.95	32.53	38.11	43.14
Profit After Tax (PAT)	50.82	76.36	48.79	49.80	35.65	25.92	21.73	25.95	34.25	40.03

KEY PERFORMANCE INDICATORS

FINANCIAL YEAR	FY20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Return on Capital Employed (ROCE) %	12.56	21.24	15.77	18.79	14.70	11.81	10.60	12.97	15.89	18.74
Return on Net Worth (RONW) %	11.41	18.79	13.34	15.20	12.17	9.38	8.24	10.32	14.54	18.54
Earnings Per Share (₹)	35.59	53.48	34.17	34.88	24.97	18.16	15.22	18.17	23.99	28.04
Dividend (%) (@)	80	190	145	85	100	75	65	80	100	125
Dividend Payout ratio (#)	25	49	51	51	48	50	50	51	48	52
Book Value Per Share (₹)	321.84	301.87	267.33	244.98	212.14	198.25	188.75	180.81	171.50	158.35

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

FINANCIAL YEAR	FY20	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28	14.28
Shareholders' funds	459.52	431.01	381.69	349.77	302.90	283.06	269.49	258.16	244.87	226.09
Non Current Liabilities	21.88	13.99	19.15	8.45	22.40	0.64	0.84	2.65	4.11	14.58
Current Liabilities	20.96	16.34	16.45	13.67	12.23	18.47	16.93	14.25	22.06	23.82
Non Current assets	483.22	445.00	394.38	306.38	320.74	280.92	273.17	267.38	264.33	249.36
Current assets	19.14	16.34	22.91	65.51	16.78	21.25	14.09	7.68	6.71	15.13

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

(#) Dividend payout is calculated on profits excluding one off & exceptional income, if any.

** based on revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 as applicable

Note :

- Figures for FY17 to FY20 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.
- EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years

RANE GROUP AGGREGATE

(₹ in Crores)

FINANCIAL YEAR	FY20	FY19	FY18	FY17	FY16
Total Income*	4,436.85	5,369.41	4,792.71	4,070.83	3,322.70
EBITDA#	244.39	552.26	600.19	533.78	341.33
PBT#	(32.79)	288.76	355.00	306.31	146.04
PAT	(28.31)	178.56	230.49	211.67	105.17
EPS** (₹)	(1.90)	72.65	91.26	93.41	45.90
Net Worth	1,149.43	1,275.14	1,185.76	963.95	783.74

(*) Total Income are net of excise duty wherever applicable

(#) EBITDA & PBT arrived after considering exceptional item

(**) Basic EPS for RHL on Consolidated basis

FROM THE DESK OF THE CHAIRMAN

Dear Stakeholders,

The world has changed drastically with the coronavirus pandemic. This is an extreme event - one for which there is no precedence. Rane Holdings Limited (RHL) started experiencing the adverse impact of the pandemic from March 2020 with the Government announcing lockdown to contain the spread of coronavirus. This came after six quarters of decline in the automotive market which created an even more challenging business environment. Even with the lockdown eased in various parts of the country, it will take considerable time before normalcy returns.

I would like to share details around the company's performance in FY2020 and the outlook for the business in these unprecedented times.

The global economy grew at a slower pace in 2019 compared to 2018. There was increased uncertainty driven by rapid shifts in trade policies and resulted in deteriorating business confidence and dampened investment growth across most regions. The Indian GDP growth dipped to 4.2% in FY20 significantly slower than 6.8% in FY19. This slowdown is attributable to credit squeeze negatively impacting consumption, investments and exports. The manufacturing sector remained flat in FY20. The Indian automobile industry faced major headwinds caused by global factors and rapid policy changes which made transition very difficult. An example was limited time given for transitioning to BS6. During the fiscal year the demand environment remained severely impacted by slowdown in the economy.

The group aggregate Total Net Revenue stood at ₹ 4,436.85 crores, a decline of 17.4% causing an EBITDA drop of 40%. The Group companies continued to engage in various lean measures to improve productivity and implemented many cost saving initiatives on material procurement, power, etc.

The group companies continued to enhance their position with the customers and win new businesses.

There were specific challenges faced by some of the group companies. The performance of Rane (Madras) Limited's (RML) US subsidiary, Rane Light Metal Castings America (RLMCA) continues to remain a challenge, despite taking several measures to revive the business and operations. RML board will review the performance of the business closely in the next 12 months and take an appropriate decision, keeping in view the long-term interest of shareholders. Rane Engine Valve Limited's turnaround plan has been severely affected due to market slowdown and Covid-19 pandemic. The order book position remains healthy and we are examining options to expedite the operational improvements. Rane NSK Steering Systems Private Limited had an exceptional expense towards estimated warranty provision of ₹ 104.6 crores. This was due to a product performance issue from the previous year. Countermeasures have been implemented and the management does not expect any major future provisions on this warranty issue. Rane TRW Steering Systems Private Limited had significant drop in Commercial vehicle volumes. However the Occupant Safety business had a satisfactory year thanks to exports.

Total Quality Management (TQM) principles continued to rule as a basic mantra and enhanced 'Business Excellence Model' helping various group companies become a Great Place To Work Certified Company and win several accolades.

Rane group continued the CSR initiatives through Rane Foundation focusing on Education, Healthcare, Environment and Community development.

Covid-19 is expected to significantly impact the performance of FY21 and the company is working on various cost savings initiatives. These measures are targeted at improving productivity, optimizing cost and includes management staff taking salary reductions ranging from 10% to 35% from Junior to Senior levels.

An excellent, dedicated and professional team of employees continue to drive forward the company's efforts on winning new orders and improving the operational performance and examining options to expedite the improvement. I appreciate your patience and faith in us.

On behalf of the entire Board of Rane Holdings Limited, I would like to thank all our stakeholders - Customers, Employees, Vendors, Investors, Bankers, Government, and most importantly our shareholders, who have conferred immense confidence in us, throughout this long journey.

Yours Sincerely,

L Ganesh

Chairman & Managing Director

CORPORATE INFORMATION

Board of Directors

Mr. L Lakshman,
Chairman Emeritus

Mr. L Ganesh
Chairman & Managing Director

Mr. Harish Lakshman
Vice Chairman & Joint Managing Director

Dr. (Ms.) Sheela Bhide

Dr. V Sumantran

Mr. Rajeev Gupta

Mr. Pradip Kumar Bishnoi

Audit Committee

Dr. V Sumantran, *Chairman*

Mr. L Ganesh

Mr. Rajeev Gupta

Dr. (Ms.) Sheela Bhide

Stakeholders' Relationship Committee

Mr. L Lakshman, *Chairman*

Mr. L Ganesh

Dr. (Ms.) Sheela Bhide

Nomination and Remuneration Committee

Dr. V Sumantran, *Chairman*

Mr. L Lakshman

Mr. Pradip Kumar Bishnoi

Corporate Social Responsibility Committee

Mr. L Lakshman, *Chairman*

Mr. L Ganesh

Dr. (Ms.) Sheela Bhide

President - Corporate Services

Mr. R Venkatanarayanan

President - Finance and Group CFO

Dr. P A Padmanabhan

Executive Vice President - Secretarial & Legal and Secretary

Mr. Siva Chandrasekaran

Vice President - Finance & CFO

Mr. J Ananth

Listing of shares on

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

Statutory Auditors

M/s. Deloitte Haskins & Sells,
Chartered Accountants,
"ASV N Ramanas Towers",
7th Floor, Old No. 37, New No. 52,
Venkatnarayana Road,
T Nagar, Chennai - 600 017.

Secretarial Auditors

M/s. S. Krishnamurthy & Co.,
Company Secretaries,
"Sreshtam" Old No. 17, New No. 16,
Pattammal Street, Mandaveli,
Chennai - 600 028.

Bankers

HDFC Bank Limited, Chennai - 600 004
YES Bank Limited, Chennai - 600 034
Citibank N A, Chennai - 600 002
Indian Bank, Chennai - 600 006
Federal Bank Ltd, Chennai 600 002

Registered Office

Rane Holdings Limited
CIN: L35999TN1936PLC002202
'Maithri' 132, Cathedral Road,
Chennai - 600 086
Phone: +91 44 2811 2472
Email: investorservices@ranegroup.com
Website: www.ranegroup.com

Registrar and Share Transfer Agents

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

Rane Holdings Limited

CIN: L35999TN1936PLC002202

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

Phone: 044-28112472/73

e-mail: investorservices@ranegroup.com, website: www.ranegroup.com

NOTICE TO MEMBERS

NOTICE is hereby given that the Eighty Fourth (84th) Annual General Meeting of Rane Holdings Limited will be held on August 14, 2020 at 15:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2020, together with reports of the Board of Directors and the Auditor thereon

To consider passing the following resolution(s) as an ordinary resolution:

- (i) "Resolved that the Standalone Audited Financial Statement of the Company for the year ended March 31, 2020 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."
- (ii) "Resolved that the Consolidated Audited Financial Statement of the Company for the year ended March 31, 2020 together with the report of the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

2. To declare dividend on equity shares

To consider passing the following resolution as an ordinary resolution:

"Resolved that a final dividend of ₹ 4/- per equity share having face value of ₹ 10/- each on 1,42,77,809 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2020 absorbing a sum of ₹ 5,71,11,236 and that the dividend be paid to those shareholders, whose name appear in the Company's Register of Members as on August 07, 2020 and the interim dividend of ₹ 4/- per equity share declared by the Board of Directors on February 06, 2020 and paid to the shareholders on February 26, 2020, be confirmed to represent a total dividend of ₹ 8/- per equity share of face value of ₹ 10/- each fully paid-up, out of the profits of the Company for the financial year 2019-20."

3. To appoint a Director in the place of Mr. Harish Lakshman (DIN:00012602), who retires by rotation and being eligible, offers himself for re-appointment

To consider passing the following resolution as an ordinary resolution:

"Resolved that Mr. Harish Lakshman (DIN:00012602), who retires by rotation under article 108 and 110 of

the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

4. To appoint M/s. BSR & Co., LLP, Chartered Accountants as Statutory Auditors of the Company.

M/s Deloitte Haskins and Sells (DHS), Chartered Accountants, (Firm registration Number: 008072S) (DHS) hold the office of statutory auditors as per the members' approval accorded at the 80th Annual General Meeting (AGM) held on August 11, 2016. In view of DHS, completing the prescribed tenure under Section 139 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, at 84th AGM, the audit committee and the Board of Directors recommend the appointment of M/s. BSR & Co., LLP, Chartered Accountants (Firm Registration No.101248W/ W100022) as Statutory Auditors of the Company for a first term of five consecutive years.

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

"Resolved that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014 ('the Rules') (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. BSR & Co., LLP, Chartered Accountants (Firm Registration Number: 101248W / W100022) be and are hereby appointed as statutory auditors of the Company for a first term of 5 (five) consecutive years from the conclusion of 84th Annual General Meeting (2020) till the conclusion of the 89th Annual General Meeting (2025) on such terms and conditions including remuneration as may be determined by the Board of Directors of the Company and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit."

SPECIAL BUSINESS:

5. To approve the re-appointment of Mr. Ganesh Lakshminarayan as Chairman and Managing Director and his remuneration thereof

To consider passing the following resolution as a special resolution:

“Resolved that in accordance with the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 (the “Act”) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), (including any statutory modification(s) or re-enactment thereof for the time being in force) approval be and is hereby accorded for the re-appointment of Mr. Ganesh Lakshminarayan (DIN:00012583) as ‘Managing Director’ within the meaning of Section 2(54) of the Act in the designation of ‘Chairman’, for a period of five years viz., with effect from April 1, 2020 to March 31, 2025 on the following terms:

(i) **Salary**

Salary ₹ 9,46,600/- per month. Annual increase will be effective from April 01, 2020. The quantum of increase will be as decided by the Board of Directors.

(ii) **Perquisites**

Perquisites like the provision of rent free furnished accommodation, superannuation allowance, gas, electricity, water, furnishings, fee to clubs, personal accident insurance, use of chauffeur driven car/s, telephone at residence, medical insurance, medical reimbursement for self and family, medical allowance, leave & leave encashment, leave travel concession, special allowance etc., will be provided in accordance with the policy of the Company as applicable to Directors, key managerial personnel and senior management personnel of the Company. In case accommodation is not provided by the Company, he shall be eligible for house rent allowance equal to 60% of salary per month. The perquisites will be evaluated as per Income-tax Rules, wherever applicable, and at actual cost to the Company in other cases. The above perquisites are however, subject to a maximum of 150% of the salary per annum.

(iii) **Contribution to Funds**

Company’s contribution to Provident Fund and Superannuation Fund will be as per the scheme of the Company. Company’s contribution to Provident Fund and Superannuation Fund as above will not be included in the computation of the ceiling on perquisites to the extent these singly or put together are not taxable under the Income-tax Act. The Gratuity payable shall be as per the rules of the Company.

(iv) **Commission**

Commission not exceeding two percent (2%) of the net profits of the Company in terms of Section 197 of the Act computed in the manner referred to in Section 198 of the Act.

Resolved further that in the event of there being inadequacy or absence of profits in any financial

year, during the currency of tenure of the Managing Director, he will be paid remuneration in terms of Part II of Schedule V to the Act, including any re-enactments thereof or such other limit as may be prescribed by the government from time to time as minimum remuneration.”

Resolved further that the remuneration specified hereinabove, may be enhanced, altered or varied by the Board, in accordance with the relevant provisions of the Companies Act 2013 / Income Tax Act 1961 and/or the rules and regulations made thereunder including any re-enactments thereof or such other limit as may be prescribed by the Government from time to time as minimum remuneration.

Resolved further that pursuant to the provisions of Section 196 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 approval be and is hereby accorded for the continuation of Mr L Ganesh, as Managing Director notwithstanding he attaining the age of 70 years during this tenure of his re-appointment.”

6. To approve under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, the remuneration payable to Mr. Lakshman Lakshminarayan (DIN:00012554), Chairman Emeritus (Non-Executive Director) exceeding fifty per cent of the total annual remuneration payable to all non-executive Directors of the Company.

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

“Resolved that in addition to approval already accorded by the members vide Postal Ballot resolution passed on May 16, 2017, specific annual approval in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of remuneration to Mr. Lakshman Lakshminarayan (DIN:00012554), Chairman Emeritus (Non-Executive Director), for the financial year 2020-21, exceeding 50% (fifty percent) of the total annual remuneration paid / payable to all Non-Executive Directors of the Company for the said financial year.

Resolved further that Board of Directors of the Company be and are hereby authorized to determine matters, from time to time, in connection with the payment and distribution of commission and advisory fees to Mr. L Lakshman, in such proportion and in such manner as may be deemed necessary, proper and expedient to give effect to approval(s) accorded by the members.”

7. To approve under Regulation 17(6)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended from time to time, the remuneration

payable to Mr L Ganesh, Chairman and Managing Director and Mr Harish Lakshman, Vice-Chairman and Joint Managing Director, being Promoter Executive Directors.

To consider passing the following resolution as a special resolution:

“Resolved that pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members be and is hereby accorded for the annual aggregate remuneration payable to Mr. L Ganesh, Chairman and Managing Director and Mr. Harish Lakshman, Vice-Chairman and Joint Managing Director, both being part of the Promoter and Promoter Group of the Company, to exceed 5% of the net profit of the Company as calculated under Section 198 of the Companies Act, 2013 in any year during the tenure of their respective appointments.

Resolved further that terms and conditions of remuneration approved in their respective appointments / re-appointments shall remain unchanged.

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary or proper or desirable or expedient to give effect to the above resolution.”

(By order of the Board)
For Rane Holdings Limited

Chennai
June 24, 2020

Siva Chandrasekaran
Secretary

Registered Office:

Rane Holdings Limited
“Maithri”, No.132, Cathedral Road,
Chennai - 600 086
CIN: L35999TN1936PLC002202
www.ranegroup.com

NOTES:

- In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the
- Company is being held through VC / OAVM, without the physical presence of the members at a common venue. The Company has engaged Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means i.e., remote e-voting and voting on the date of the AGM.
- In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meetings (SS-2), an explanatory statement setting out the material facts concerning Special business to be transacted at the AGM is annexed and forms part of this Notice.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Corporate members intending to represent through their authorised representatives in the AGM through VC/OAVM and to vote through remote e-voting or voting at the AGM are requested to send to the Company a certified copy of the board resolution authorising their representative to the designated email address of the Company i.e., investorservices@ranegroup.com and to CDSL i.e. helpdesk.evoting@cDSLindia.com.
- The record date for the purpose of final dividend and the cut-off date for the purpose of determining eligibility of members for voting in connection with the Eighty Fourth AGM has been fixed as Friday, August 07, 2020.
- Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remained unclaimed/unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
- Members may also note that the notice of the Eighty Fourth AGM and the annual report 2020 will be available in the Investors Section on the Company’s website www.ranegroup.com and on the website of CDSL i.e. www.evotingindia.com.
- Listed companies are required to use the Reserve Bank of India’s approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their bank details with their depository participants. Shareholders holding

securities in physical form are requested to update bank account details by furnishing requisite documents with the RTA of the Company.

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

**M/s. Integrated Registry Management
Services Private Limited**
SEBI Registration No. INR000000544
2nd Floor, "Kences Towers", No.1, Ramakrishna Street,
North Usman Road, T Nagar, Chennai - 600 017
e-mail ID: corpserve@integratedindia.in
Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.
11. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof for the prescribed rates applicable to various categories. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investorservices@ranegroup.com by 23:59 hrs IST on **August 7, 2020**. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their respective country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investorservices@ranegroup.com. The aforesaid declarations and documents need to be submitted by the shareholders by 23:59 hrs IST on **August 07, 2020**.
12. Effective April 1, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members will need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition will be accepted by the Company/RTA.
13. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio. The share certificate(s) will be returned to the members after necessary endorsements.
14. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website www.ranegroup.com
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020 will also be available on the Company's website www.ranegroup.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Information pursuant to regulations 26(4), 36(3) and 36(5) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors & Auditors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors and Auditors have furnished the requisite consents / declarations for their appointment / re-appointment.
18. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write well in advance to the Company on investorservices@ranegroup.com.
19. Since the AGM will be held through VC/OAVM, the route map is not annexed in this notice.
20. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - i. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting")

and for poll during the meeting will be provided by Central Depository Services (India) Limited (CDSL e-Voting System).

- ii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM through poll.
- iii. The 'remote e-voting' period commences on (Tuesday) August 11, 2020 (9:00 hrs) and ends on (Thursday) August 13, 2020 (17:00 hrs). During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 07, 2020 (Friday), may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., Friday, August 07, 2020.
Any person, who acquires shares of the Company and become a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Friday, August 07, 2020, may cast their vote electronically.
- v. Mr. C Ramasubramaniam, Practicing Company Secretary (ICSI Membership no. FCS 6125), Partner, M/s. CR & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
- vi. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of CDSL www.evotingindia.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges where the Company's shares are listed.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:-

A. To Log-in to CDSL e-Voting website

1. Visit the e-Voting website of CDSL. Open a web browser by typing the following URL: <https://www.evotingindia.com/> either on a Personal Computer or on a mobile.
2. Click on 'Shareholders' module.
3. Enter your User ID:
 - a) For CDSL: 16 digits beneficiary ID,
 - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c) Shareholders holding shares in physical form: Folio Number registered with the Company. (OR)

Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login -Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

4. Next, enter the Image Verification as displayed and click on 'Login'.
5. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

If you are using CDSL e-Voting system for the first time, then follow below steps:

- (i) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number - the first two letters of their name and the last 8 digits of the Client ID /Folio number in the PAN field. In case the sequence number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters.

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

If Dividend Bank Details or Date of Birth are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in point 3 of clause A.

6. After entering these details appropriately, click on "SUBMIT" tab.
7. Shareholders holding shares in physical form will then directly reach the Company selection screen.
8. Create Password:

Shareholder holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other companies on which they are eligible to vote, provided that such Companies opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

9. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
10. For shareholders holding shares in physical form, the

details can be used only for e-voting on the resolutions contained in this Notice.

B. To Cast your vote electronically on CDSL e-Voting system.

1. After successful login, you will reach Company selection screen.
2. Click on 'EVSN' for RANE HOLDINGS LIMITED
3. Now you are ready for e-Voting as the Voting page opens.
4. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and the option NO implies that you dissent to the Resolution.
5. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
6. After selecting the resolution that you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
7. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
8. You can also take a printout of the votes cast by clicking on "CLICK HERE TO PRINT" option on the Voting page.
9. Shareholders can also cast their vote using CDSL's mobile app 'm-Voting'. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
10. Note for Non - Individual Shareholders and Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the 'Corporates' module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address investorservices@ranegroup.com (designated email address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investorservices@ranegroup.com or to RTA's e-mail ID srirams@integratedindia.in.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company's e-mail ID investorservices@ranegroup.com or to RTA's e-mail ID srirams@integratedindia.in.
3. The Company/RTA shall co-ordinate with CDSL and provide the login credentials to the aforesaid shareholders

THE INSTRUCTIONS FOR SHAREHOLDERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholder have not participated in the meeting through VC/OAVM facility, then the votes cast by such member / shareholder shall be considered invalid, as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

INSTRUCTIONS FOR ATTENDING THE AGM THROUGH VC/ OAVM ARE AS UNDER:

1. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same

at the weblink: <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting and will be available for Members on a first come first served basis.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further, shareholders will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investorservices@ranegroup.com from August 06, 2020 (9:00 hrs IST) to August 10, 2020 (17:00 hrs IST). The shareholders who do not wish to speak during the AGM but have queries may send their queries in within the above mentioned time period prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at investorservices@ranegroup.com.
7. The shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Other Instructions

1. In case of any queries or issues, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com under help section or write an e-mail to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (02223058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

(By order of the Board)
For Rane Holdings Limited

Chennai
June 24, 2020
Registered Office:
Rane Holdings Limited
"Maithri", No.132, Cathedral Road,
Chennai - 600 086
CIN: L35999TN1936PLC002202
www.ranegroup.com

Siva Chandrasekaran
Secretary

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No.4

M/s Deloitte Haskins and Sells (DHS), Chartered Accountants, (Firm registration Number: 008072S) (DHS) hold the office of statutory auditors in second term of five consecutive years, as per the members' approval accorded at the 80th Annual General Meeting (AGM) held on August 11, 2016 till the conclusion of the 85th Annual General Meeting of the Company.

However, taking into consideration the initial one year of joint auditorship held by DHS, pursuant to members' approval at 74th AGM held on July 29, 2010, DHS would be completing the maximum overall tenure of ten consecutive years, spread over two term(s), at the conclusion of the 84th AGM of the Company, under Section 139(2) of the Companies Act, 2013 ('the Act') read with Rule 6 (3) (i) of the Companies (Audit and Auditors) Rules 2014 ('the Rules'). The members may take note that, in view of the statutorily prescribed tenure being completed by DHS, effective from the conclusion of the 84th AGM, the office of statutory auditor is being rotated by appointing a new auditor. DHS will demit their office as statutory auditors after issuing the limited review report on the financial results for the quarter ending June 30, 2020.

After a detailed review of the profile, experience and expertise of few audit firms / entities, the Audit Committee and Board of Directors of the Company have recommended the appointment of M/s BSR & Co., LLP, (Firm Registration Number 101248W/ W100022), Chartered Accountants, as Statutory Auditors of the Company, for approval of the members at the 84th AGM of the Company.

M/s BSR & Co, LLP, is a member entity of BSR & Affiliates, a network registered with The Institute of Chartered Accountants of India (ICAI). They have audit experience across companies belonging to S&P BSE 30, S&P BSE 100 and S&P BSE 200 indices and in particular, the automotive sector globally.

M/s BSR & Co., LLP have accorded their consent and confirmed that they fulfill all the eligibility criteria envisaged under Companies Act, 2013 and SEBI LODR to hold the office and perform the role of statutory auditor of the Company effectively. They hold a peer review certificate issued by the ICAI, which is valid up to July 1, 2022.

Considering the professional experience, expertise and technical competencies M/s BSR & Co., LLP, the Audit Committee and the Board of Directors are of the opinion that it would be in the best interest of the Company to appoint M/s BSR & Co., LLP, Chartered Accountants, as Statutory Auditors. Accordingly, the Board of Directors recommend to the shareholders the appointment of M/s BSR & Co., LLP, Chartered Accountants, as Statutory Auditors in a first term of five consecutive years, from the conclusion of 84th AGM till the conclusion of the 89th AGM on a remuneration of ₹ 12 Lakhs per annum towards statutory audit and quarterly limited reviews, excluding reimbursement of any out of pocket expenses at actuals and applicable taxes and subject to annual revisions as may be determined by the board from time to time.

There is no material change in the fee payable from that paid to the outgoing auditor, except that the remuneration is presently fixed considering the prevailing economic scenario.

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

The Board recommends passing the resolution as set out at item no. 4 of this notice as an **ordinary resolution**

Item No.5

The members of the Company through the postal ballot held on March 31, 2017, approved the Appointment of Mr. L Ganesh as Chairman and Managing Director for a period of 3 years with effect from April 01, 2017 to March 31, 2020.

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at the meeting held on February 06, 2020, has appointed Mr. L Ganesh as Managing Director in the designation of 'Chairman' for a period of five years with effect from April 1, 2020, subject to approval of shareholders.

Mr. L Ganesh assumed the executive leadership as the Chairman of Rane group of companies in October 2006. He has successfully led Rane group during the period of economic slowdown towards strengthening management and leadership capabilities. He is currently focused on

leveraging the foundation of operational excellence towards driving growth.

Under the able leadership and guidance of Mr. L Ganesh, Rane Group companies pursued various cost control measures in terms of localization, alternate sourcing, value engineering and several other initiatives to mitigate the impact of cost inflation and volume fluctuations.

Details as required under the Schedule V to the Companies Act, 2013 and under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I. General information:

The Company is the holding Company and joint venture partner of Rane Group of Companies. The Company is engaged in making and holding investments in the group companies, providing services to the group companies and collects trademark fees from the group companies. The financial performance of the Company for the year ended March 31, 2020 is given below:

Particulars for 2019-20	₹ In Lakhs
Sales & Operating Revenue	9,777.91
Profit Before Tax	5,704.27
Provision for Tax (net tax expense)	621.95
Profit After Tax	5,082.32

(i) Information about the appointee:

Name of the Director	Mr. Ganesh Lakshminarayan
DIN	00012583
Father's Name	Mr. L L Narayan
Date of Birth	March 18, 1954
Educational Qualifications	B.Com., ACA, MBA
Experience	Mr. L Ganesh is a Chartered Accountant and also holds an MBA from the Pennsylvania State University, USA. He has over 44 years of industrial experience in and overall management of the companies. He has held several positions of high responsibilities with various industry forums and had been the President of Automotive Component Manufacturers Association of India and Chairman of Confederation of Indian Industry, Southern Region. He continues to be an honorary consul for New Zealand in South India.
Past Remuneration (2019-20)	Remuneration : ₹ 3,10,48,054
Recognition / Awards	Mr. L Ganesh, has served as President-Automotive Components Manufacturers Association & Madras Management Association, Southern Regional Chairman of Confederation of Indian Industries (CII).
Job Profile and his suitability	Overall management of Rane Group. Given his qualification and experience, Mr. Ganesh is considered well suited for the position.
Remuneration Proposed	As detailed in the resolution. The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.
Comparative remuneration profile with respect to the industry	The proposed remuneration package of the appointee is in line with the prevailing standards in the industry, size of the Company, profile of the position, etc.

Pecuniary Relationship and relationship with the managerial personnel	Apart from receiving remuneration and corporate benefits as a shareholder of the Company, he has no other pecuniary relationship. Mr. L Ganesh is not related to any other Managerial Personnel of the Company.
Other Directorships	Chairman 1. Rane (Madras) Limited 2. Rane Engine Valve Limited 3. Rane Brake Lining Limited 4. Rane TRW Steering Systems Private Limited 5. Rane NSK Steering Systems Private Limited Director 1. EIH Ltd 2. EIH Associated Hotels Ltd 3. Chennai Willingdon Corporate Foundation
Committee Memberships	Member - Audit Committee 1. Rane Brake Lining Ltd 2. Rane TRW Steering Systems Private Ltd. 3. Rane NSK Steering Systems Private Ltd. 4. EIH Associated Hotels Ltd. 5. EIH Limited Member - Stakeholders' Relationship Committee 1. Rane Engine Valve Ltd 2. Rane Brake Lining Ltd Member - Nomination and Remuneration Committee 1. Rane Brake Lining Ltd 2. Rane (Madras) Ltd Member -Corporate Social Responsibility Committee 1. Rane Brake Lining Ltd 2. Rane Engine Valve Ltd 3. Rane (Madras) Ltd 4. Rane TRW Steering Systems Private Ltd 5. Rane NSK Steering Systems Private Ltd

(ii) Other Information:

In view of the resolution being an enabling resolution for payment of remuneration in the event of any inadequacy of profits and taking into consideration the present financial position, the disclosure on the following does not arise:

- Reasons for loss or inadequacy of profits
- Steps taken or proposed to be taken for improvement
- Expected increase in productivity and profit in measurable terms

registered office of the Company in accordance with the Articles of Association of the Company.

Mr. L Ganesh is interested in the resolution as it relates to his own appointment. Mr. L Lakshman, being his relative is also deemed to be interested. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no. 5 of this notice as a **special resolution**.

(iii) Other Disclosures:

The Company has not made any default in repayment of its debt or interest payable thereon during the preceding financial year 2019-20. Mr. L Ganesh satisfies all the conditions laid down in Schedule V to the Companies Act, 2013. He holds 12,09,533 equity shares of the Company (including joint holdings & HUF).

The terms of appointment of Mr. L Ganesh, as required under Section 190 of the Companies Act, 2013, is available for inspection of the members at the

Item No.6

The members of the Company had vide postal ballot dated March 31, 2017 approved the payment of annual remuneration, to Mr. L Lakshman, Chairman Emeritus, for a period of four years, i.e., April 01, 2017 to March 31, 2021. The special resolution was approved by members with 99.99% of votes cast in favour of the resolution. The annual remuneration comprises of commission of up to 2% of the net profits of the Company, subject to a ceiling of ₹ 1 crore per annum, payable on monthly basis, apart from sitting fees for attending the meetings of the Board and its Committees thereof certain benefits as detailed in the said postal ballot resolution. The members have also

approved payment of Advisory fee of ₹ 1 crore per annum, to him payable on monthly basis, for services rendered by him in his professional capacity. The remuneration approved is in line with the industry practices and standards.

In terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) annual approval of shareholders by way of special resolution is required to be obtained if the annual remuneration payable to a single non-executive Director exceeds fifty per cent of the total annual remuneration paid/payable to all Non-Executive Directors.

In view of the above, the annual remuneration payable to Mr. L Lakshman, for the financial year commencing from April 1, 2020 in the form of commission, sitting fees and advisory fees in professional capacity and other eligible perquisites is expected to exceed 50% (fifty per cent) of the total annual remuneration payable to all the other non-executive Directors.

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

Mr. L Lakshman is concerned or interested in the resolution. Mr. L Ganesh and Mr. Harish Lakshman being his relatives, are deemed to be interested in the resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolutions except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no. 6 of this notice as a special resolution.

Item No. 7

The members of the Company had at their meeting held on August 08, 2019 approved the appointment and remuneration of Mr. Harish Lakshman, Vice-Chairman and Joint Managing Director, for a period of Five years, from August 01, 2019 to July 31, 2024. The special resolution was approved by members with 99.99% of votes cast in favour of the resolution. Mr. Harish Lakshman receives remuneration in the form of rent free accommodation as per the terms approved by the members.

In terms of Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI

LODR) the remuneration payable to Executive Directors who are part of promoters or promoter group, shall be subject to the approval of the members by way of special resolution in general meeting, if the aggregate annual remuneration payable to such Directors, where there is more than one such Director, exceeds 5% of the net profits of the Company as calculated under section 198 of the Act. Further, such approval shall be valid till the expiry of the respective terms of the Directors.

Mr. L Ganesh and Mr. Harish Lakshman, executive directors, are members of the promoter group of the Company. The aggregate of annual remuneration payable to both the Directors may exceed 5% of the net profits of the Company as calculated under Section 198 of the Act.

In terms of Regulation 17(6)(ca) of SEBI LODR, approval of the members is being sought by way of a special resolution, as set out in item no. 7 of this notice.

Mr. L Ganesh and Mr. Harish Lakshman are interested in the resolution as it relates to their own remuneration. Mr. L Lakshman, being related to both, is deemed to be interested in the resolution. None of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends passing the resolution as set out at item no. 7 of this notice as a special resolution.

(By order of the Board)
For Rane Holdings Limited

Chennai
June 24, 2020

Siva Chandrasekaran
Secretary

Registered Office:
Rane Holdings Limited
"Maithri", No.132, Cathedral Road,
Chennai - 600 086
CIN: L35999TN1936PLC002202
www.ranegroup.com

Annexure to the Notice dated June 24, 2020

Information about Director(s) seeking appointment / re-appointment at the Annual General Meeting in compliance with Regulation 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) as on June 24, 2020

Name of the Director	Mr. Ganesh Lakshminarayan	Mr. Harish Lakshman
Father's Name	Mr. L L Narayan	Mr. L Lakshman
Director Identification Number (DIN)	00012583	00012602
Age (in years)	66	46
Date of Birth	March 18, 1954	February 12, 1974
Educational Qualifications	B.Com, ACA and MBA	B.E. - BITS Pilani, MSM - Purdue University, USA.
Experience	Mr. L Ganesh is a member of the Institute of Chartered Accountants of India (ICAI) and holds MBA from London Business School, Pennsylvania State University. He is the Chairman of the Rane Group of Companies and has around 43 years of industrial experience. He has served as the President Automotive Component Manufacturers Association & Madras Management Association, Southern Regional Chairman of Confederation of Indian Industries (CII). He is also the Honorary Consul for New Zealand in South India.	Mr. Harish Lakshman has over 24 years of industrial experience and has held various positions in the areas of marketing, operations, business development overseas and other corporate functions. He currently spearheads the future growth plan for Rane Group.
Date of first appointment on the Board	August 01, 2009	May 19, 2005
Terms and Conditions of appointment	Proposed to be appointed as Managing Director for a term of five years as per item no. 5 of the Notice convening Eighty Fourth AGM read with explanatory statement thereto.	Re-appointment as a Director, liable to retire by rotation.
Last drawn remuneration	₹ 3,10,48,054	₹ 38,70,477
Remuneration sought to be paid	As detailed in the resolution. The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.	No approval is being sought for payment of remuneration.
Relationship with other Directors / Manager / KMP	Brother of Mr. L Lakshman, Chairman Emeritus	Son of Mr. L Lakshman, Chairman Emeritus
Other Directorships	<p>Chairman</p> <ol style="list-style-type: none"> 1. Rane (Madras) Limited 2. Rane Engine Valve Limited 3. Rane Brake Lining Limited 4. Rane TRW Steering Systems Private Limited 5. Rane NSK Steering Systems Private Limited <p>Director</p> <ol style="list-style-type: none"> 1. EIH Ltd 2. EIH Associated Hotels Ltd 3. Chennai Willingdon Corporate Foundation 	<p>Chairman</p> <ol style="list-style-type: none"> 1. Rane t4u Private Limited <p>Vice Chairman</p> <ol style="list-style-type: none"> 1. Rane (Madras) Limited 2. Rane Engine Valve Limited <p>Director</p> <ol style="list-style-type: none"> 1. Rane Brake Lining Limited 2. Rane TRW Steering Systems Private Limited 3. Rane NSK Steering Systems Private Limited 4. Oriental Hotels Limited 5. Young Presidents Organisation (Chennai Chapter) 6. Savithur Enterprises Private Limited 7. HL Hill Station Properties Private Limited 8. Rane Holdings America Inc., USA 9. Rane Light Metal Casting Inc., USA (formerly Rane Precision Die Casting Inc.)

Committee Memberships in other Boards	<p>Member - Audit Committee</p> <ol style="list-style-type: none"> 1. Rane Brake Lining Ltd 2. Rane TRW Steering Systems Private Ltd. 3. Rane NSK Steering Systems Private Ltd. 4. EIH Associated Hotels Ltd. 5. EIH Limited <p>Member - Stakeholders' Relationship Committee</p> <ol style="list-style-type: none"> 1. Rane Engine Valve Ltd 2. Rane Brake Lining Ltd <p>Member - Nomination and Remuneration Committee</p> <ol style="list-style-type: none"> 1. Rane Brake Lining Ltd 2. Rane (Madras) Ltd <p>Member - Corporate Social Responsibility Committee</p> <ol style="list-style-type: none"> 1. Rane Brake Lining Ltd 2. Rane Engine Valve Ltd 3. Rane (Madras) Ltd 4. Rane TRW Steering Systems Private Ltd 5. Rane NSK Steering Systems Private Ltd 	<p>Chairman - Stakeholders' Relationship</p> <ol style="list-style-type: none"> 1. Rane Brake Lining Limited <p>Member - Stakeholders' Relationship</p> <ol style="list-style-type: none"> 1. Rane (Madras) Limited
Number of meetings of the Board attended during the year	4	3
Number of equity shares held (including joint holding and HUF, If any)	12,09,533	1,24,882

REPORT OF THE BOARD OF DIRECTORS

Your Board of Directors hereby present to you the Eighty Fourth Annual Report covering the operational and financial performance together with the accounts for the year ended March 31, 2020 and other prescribed particulars:

1. State of Company's affairs

The impact of COVID-19 will be felt in the Financial Year 2020-21 as it is expected to further drag the slowness in the auto industry and the revival is bound to be slow. The Company has partially resumed operations in its facilities, with minimum workforce, as per the guidelines issued by the Ministry of Health and Family Welfare.

The Company has taken steps to build in all the safety and precautionary measures across all its facilities and locations. The Company as part of the auto industry is confident of meeting the challenges post the lockdown in ensuring the supply chain is revived and supply is started.

As a responsible corporate citizen, the Company has contributed a sum of ₹ 0.25 crores as part of its Corporate Social Responsibility initiatives to Chief Minister's Public Relief Fund, Tamil Nadu in support of COVID-19 pandemic relief measures.

1.1. Financial Performance

Investment profile of your company is across the various Group Companies engaged / serving the automotive industry, as detailed below:

Sl. No.	Name of investee company	Products / Services	Shareholding
Subsidiary companies			
1	Rane (Madras) Limited (RML) <u>Step Down Subsidiaries</u>	Steering gear products, steering and suspension linkages, Light metal cast products.	63.42%
	a) Rane (Madras) International Holdings B.V., The Netherlands - (RMIH)	Holds strategic overseas investments	100.00%
	(i) Rane Light Metal Castings Inc. USA (formerly Rane Precision Die Casting Inc. USA) (RLMCA)	Light metal castings components for automotive applications	100.00%
2	Rane Engine Valve Limited (REVL)	Engine valves, valve guides and tappets	54.82%
3	Rane Brake Lining Limited (RBL)	Brake linings, disc pads, clutch facing and clutch button	46.59%
4	Rane Holdings America Inc. USA (RHAI)	Providing business development services in North American region for Rane Group Companies	100%
5	Rane Holdings Europe GmbH, Germany (RHEG)	Providing business development and other related support services for Rane group companies in the European region	100%
6	Rane t4u Private Limited (RT4U) (formerly Telematics4u Private Limited)	Connected Mobility Solutions	70.01%
Joint Venture Companies			
7	Rane TRW Steering Systems Private Limited (RTSS)	Hydraulic steering gear, Hydraulic pumps, seat belt and Air Bags	50.0%
8	Rane NSK Steering Systems Private Limited (RNSS)	Manual steering columns and electric power steering.	49.0%

The Company's three main income streams are Dividends from investments, Trademark fees out of 'RANE' trademark ownership and Service fees from Rane Group Companies. The Company provides services in areas of Management consultancy, Information Technology, Business Development and Human Resource training, which are unique and tailor-made to each of the Rane Group Companies in line with each subsidiaries vision and mission, business goals and operating models.

The Company, on December 18, 2019, subscribed to 17,42,160 warrants convertible into equivalent number of equity shares having a face value of ₹10/- each of RML on payment of ₹12.50 crore, being the warrant subscription price (25% of the issue price of ₹287/- per warrant). The warrants are convertible into equity shares in one or more tranches within a period of eighteen (18) months from the date of allotment of warrants. The Company, on March 18, 2020, duly exercised conversion of 5,80,720 warrants out of the

17,42,160 warrants into 5,80,720 equity shares having a face value of ₹10/- each at an warrant exercise price of ₹287 per warrant, resulting in an increase in shareholding of the Company in RML by 1.78% to 63.42%. The balance 11,61,440 warrants would be due for conversion into equivalent number of equity shares of ₹10/- each on or before June 17, 2021.

The Company made further investments to the tune of ₹3.50 crores in the form of Compulsorily Convertible Preference Shares (CCPS) in its subsidiary Company, Rane t4u Private Limited (RT4U) towards supporting its expansion / growth plans and part of working capital requirements. As at the end of financial year March 31, 2020 the investment in CCPS of RT4U stands at ₹27.85 Crores. The Company has also acquired 10,000 equity shares of RT4U from Karnataka Information Technology

Venture Capital Fund - 2 at the face value of ₹10/- per share for a total cash consideration of ₹1 lakh. Post-acquisition, the Company holds 70% in equity share capital of RT4U.

As a part of the Company's strategic initiative to consolidate shareholding in the other subsidiaries, the Company acquired through stock market, equity shares representing 0.26% in equity capital of RBL. During the year under review, there was no change in management or control in RBL.

During the period under review, there was no change in management or control by RHL in Rane Group Companies, except for change in shareholding in RML, RBL and RT4U as mentioned above. The standalone financial highlights for the year under review are as follows:

Particulars	(₹ in Crores)	
	2019-20	2018-19
Revenue from Operations	97.31	115.95
Other Income	0.47	12.54
Profit / loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	62.42	90.96
Less: Depreciation / Amortisation	3.21	1.13
Profit / loss before Finance Costs, Exceptional items and Tax Expense	59.21	89.83
Less: Finance Costs	2.17	2.34
Profit / loss before Exceptional items and Tax Expense	57.04	87.49
Add / (less): Exceptional items	-	-
Profit / (loss) before Tax Expense	57.04	87.49
Less: Tax Expense (Current & Deferred)	6.22	11.13
Profit / (loss) for the year (1)	50.82	76.36
Total Comprehensive Income / loss (2)	2.83	0.53
Total (1+2)	53.65	76.89
Balance of profit / loss for earlier years	89.69	57.24
Less: Transfer to Reserves	38.05	16.87
Less: Dividend paid on Equity Shares	21.42	24.27
Less: Dividend Distribution Tax	3.72	3.30
Balance carried forward	80.15	89.69

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

The total standalone income of the Company was ₹97.78 crores, dropped by 24% when compared to the previous year due to lower trade mark fee and dividend income. Also, the income of ₹11.64 crores registered during previous financial year included an one off income on account of divestment of entire shareholding in one of the joint ventures viz., JMA Rane Marketing Ltd. The drop in income in the year under review, excludes this one-off income which represents 16%. The Company netted a Profit Before Tax (PBT) of ₹57.04. crores, which is 58.3 % of the turnover for FY 2019-20 and this has resulted in Earnings Per Share (EPS) of ₹35.59 for FY 2019-20 as against an EPS of ₹53.48 for previous FY.

There was no material change or commitments, affecting the financial position of the Company between the end of the financial year of the Company and date

of the report other than those disclosed in the financial statements section of this annual report. There was no change in the nature of business during the year.

1.2. Appropriation

The Board of Directors declared and paid an interim dividend of 40% (i.e., ₹4/- per equity share of ₹10/- each, fully paid-up) on February 26, 2020 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 18, 2020, being the Record Date fixed for this purpose.

An amount of ₹80.15 crores of the profit is available for appropriation as at the end of FY 2019-20. The Board of Directors after taking into consideration the operational and financial position has recommended a final dividend of 40% (i.e., ₹4/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing 84th Annual General Meeting (AGM) scheduled to be held on August 14, 2020. The total dividend paid / payable on equity shares for FY 2019-20 including the

distribution tax and surcharge (interim only) thereon would be ₹12.6 crores. On declaration of the final dividend by the shareholders, it will be paid on August 19, 2020 to all the eligible shareholders, whose name appears in the register of members of the Company as on August 07, 2020, being the Record Date fixed for this purpose. The total of dividend paid / payable for the FY 2019-20 would be ₹8/- per equity share having a face value of ₹10/- each fully paid up.

1.3. Credit rating

The Company's financial management and its ability to service financial obligations in a timely manner, has been re-affirmed by ICRA by its ratings during the year under review. The credit rating details have been disclosed to stock exchanges and made available in the website of the Company. The Corporate Governance section of this annual report carries the details of credit rating.

1.4. Share Capital

During the year under review, the paid up capital of the Company stood at ₹14,27,78,090/- consisting of 1,42,77,809 equity shares of ₹10/- each. There has been no change in capital structure of the Company.

1.5. Management Discussion & Analysis

The main business of your Company is to hold strategic investment in subsidiaries and joint ventures (collectively called 'Rane Group') engaged in the manufacturing and marketing of components for the transportation industry and also provide services unique to Rane Group. The analysis on the performance of the Industry, group companies' performance, internal control systems, risk management etc. are presented in the 'Management Discussion & Analysis' report forming part of this annual report as 'Annexure A'.

1.6. Consolidated financial statements

The consolidated financial statements are prepared as per the following methodology specified under applicable accounting standards:

- (a) Subsidiary companies - each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. Non Controlling interests have been appropriately considered.
- (b) Joint Venture companies - Share of profits based on the percentage of share held has been consolidated.

The consolidated financial statements of the Company are prepared based on the audited financial statement of the subsidiary companies and joint-venture companies, for the year ended March 31, 2020. Except in the case of RHEG, Wholly Owned Subsidiary, of whom the financial statements as certified by the management has been taken into consideration for the purpose of consolidation, as there is no requirement of audit under the jurisdictional laws of RHEG for the time being in force.

The financial statements of the subsidiary companies are not attached in terms of the provisions of Section

136 of the Companies Act, 2013 (Act), as the salient features of financial statement of these subsidiary companies are provided in form AOC-1 forming part of this annual report. The Company undertakes to make available a soft copy of the annual report and annual accounts of the subsidiary Companies and the related detailed information to investors, as may be required by them, seeking such information at any point of time on demand. The annual financial statements of the subsidiary Companies have been made available in the website of the Company at www.ranegroup.com for inspection by any investor. The consolidated financial statements presented by the Company, which forms part of this annual report, include financial statements of its subsidiary Companies.

2. Board of Directors, Committees and Management

2.1. Composition

The composition of the Board of Directors and its Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee, are in accordance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The Board of Directors have also constituted an Executive Committee, Finance Committee and an Investment Committee. The Corporate Governance Report given in 'Annexure D' to this report contains the composition of the Board of Directors of the Company and its Committees.

During the year under review:

- Mr. Anjanikumar Choudhari (DIN:00234208) Independent Director, retired as per the retirement policy of the Company, with effect from conclusion of the Board meeting held on May 27, 2019. Consequently, his membership in the Audit Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee also ceased with effect from the said date. The Board places on record its appreciation for the services rendered by Mr. Anjanikumar Choudhari during his association with the Company as an Independent Director.
- The shareholders of the Company at their 83rd Annual General Meeting (AGM) approved the appointment of Mr. Harish Lakhman as Joint Managing Director with effect from August 01, 2019
- Mr. Pradip Kumar Bishnoi was appointed as Independent Director of the Company for a first term of five consecutive years commencing from August 08, 2019 and Dr. V Sumantran was appointed as an Independent Director for a second term of five consecutive years till the conclusion of 88th AGM, as approved by the shareholders at their 83rd AGM held on August 08, 2019

- The Board of Directors, based on the recommendations of the Nomination and Remuneration Committee of the Board (NRC) re-appointed Mr. L Ganesh as Managing Director (in the designation of Chairman) for a further period of five years from April 01, 2020 to March 31, 2025 which is subject to the approval of the shareholders at the ensuing 84th AGM. There is no other change in the composition of Board of Directors with reference to the previous year

The terms and conditions of appointment of Independent Directors available at weblink: http://ranegroup.com/rhl_investors/terms-of-appointment-of-independent-directors/

The Corporate Governance Report annexed to this report contains necessary disclosures regarding the Director proposed for appointment / re-appointment at the ensuing 84th AGM of the Company.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. The Board of Directors at its first meeting of the FY 2019-20 has taken on record the declarations and confirmations submitted by the Independent Directors. During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board. The Company has obtained a certificate from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Harish Lakshman (DIN:00012602) is retiring by rotation at the ensuing 84th AGM, being eligible, he offers himself for re-appointment. The proposal for his re-appointment as a Director is included in the notice convening the 84th AGM.

2.3. Board and Committee meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, four (4) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The gap between any two consecutive meetings of the Board of directors was less than 120 days. The details of Committee meetings are provided in the Corporate Governance Report.

2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow

of information between the management and the Board. The Independent Directors expressed that the current flow of information and contents were good to effectively perform their duties. They also reviewed the performance of the Non-Independent Directors and the Board as a whole and the performance of the Chairman and Managing Director of the Company taking into consideration the views of the Non-Executive Directors.

2.5. Board evaluation

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its Committees and individual Directors, including Chairman of the Board. This exercise was carried out through a structured questionnaire as per the criteria laid down by Nomination and Remuneration Committee. The performance evaluation of the Chairman was also reviewed by Independent Directors at the separate meeting of Independent Directors held during the year.

The evaluation methodology, questionnaire and process for evaluation of the Board as a whole was judiciously formulated to take detailed insights or views of the Directors on strategic areas like:

- Scope and adequacy of risk management framework;
- Effectiveness of the succession planning and leadership development initiatives;
- Robustness of the internal audit and statutory compliance practices;
- Information Technology security including cyber security systems; and
- Comprehensiveness of the Board agenda materials.

The Chairman's evaluation was carried out with an unbiased approach through peer evaluation seeking detailed views on the performance areas like driving business goals, board room interactions, making organization future ready, contribution in terms of active management and connecting with long term strategic values. All the directors were also subject to peer evaluation, mainly on aspects relating to independence, understanding of the automotive sector, commitment towards corporate governance and developing a healthy Board.

Focus on making the organisation future ready and contribution in terms of active engagement and connect with the long term strategic values of the Company were considered as additional aspects in the evaluation of the Managing Director.

The outcome of the evaluation is also generally considered by the NRC while considering re-appointments of Directors on the Board and appointment in various Committees. The key areas

of improvement emerging through this exercise was discussed by the Chairman with the other Board members and the action plans were initiated on matters of strategic and long term importance, succession planning, leadership developments and IT initiatives.

2.6. Familiarisation program for Independent Directors

The familiarisation program for Independent Directors are available at the weblink: http://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-directors/

2.7. Key Managerial Personnel

During the year, Mr. Harish Lakshman, Vice-Chairman was appointed as Joint Managing Director of the Company for a period of five years with effect from August 01, 2019.

As at year ended March 31, 2020, Mr. L Ganesh, Chairman & Managing Director, Mr. Harish Lakshman, Vice-Chairman & Joint Managing Director, Mr. Siva Chandrasekaran, Secretary and Mr. J Ananth, Chief Financial Officer hold the office of Key Managerial Personnel (KMP), respectively, within the meaning of Section 2(51) of the Act.

2.8. Remuneration policy

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

The policy on appointment and remuneration of Directors, KMP and Senior Management Personnel (SMP) as laid down by the NRC of the Board is available at the web-link at https://ranegroup.com/rhl_investors/policy-on-appointment-remuneration-of-directors-kmp-smp/.

In accordance with the said policy, approval obtained from the shareholders in terms of Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (SEBI LODR) at the 83rd AGM held on August 08, 2019, for payment of remuneration in excess of 5% of net profits of the Company to Mr. L Ganesh, Chairman and Managing Director and Mr. Harish Lakshman, Vice-Chairman and Joint-Managing Director.

In addition, approval was also obtained from the shareholders in terms of Regulation 17(6)(ca) of SEBI LODR at the 83rd AGM held on August 08, 2019, for payment of remuneration to Mr. L Lakshman, Chairman Emeritus, an amount exceeding 50% of total annual remuneration payable to other Non-Executive Director, for the FY 2019-20.

The details of remuneration paid / payable to the Directors during the Financial Year 2019-20 is furnished in the Corporate Governance Report annexed to this report.

3. Audit and allied matters

3.1. Audit Committee

The terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance Report section of the Annual Report. The Audit Committee of the Board acts in accordance with the terms of reference, which is in compliance with the provisions of Section 177 of the Act and Regulation 18 of SEBI LODR and other applicable provisions of SEBI LODR, as amended from time to time.

3.2. Statutory Auditor

The Statutory Auditor report to the members for the year ended March 31, 2020 does not contain any qualification, reservation, adverse remark or disclaimer. Also there has been no instance of fraud reported by the Statutory Auditor during the period under review.

M/s Deloitte Haskins and Sells (DHS), Chartered Accountants, (Firm registration Number. 008072S) (DHS) hold the office of statutory auditors in second term of five consecutive years, as per the members' approval accorded at the 80th Annual General Meeting (AGM) held on August 11, 2016 till the conclusion of the 85th Annual General Meeting of the Company. Taking into consideration the initial one year of joint auditorship held by DHS, pursuant to members' approval at 74th AGM held on July 29, 2010, DHS would be completing the maximum overall tenure of ten consecutive years, spread over two term(s), at the conclusion of the 84th AGM of the Company, in terms of Section 139 of the Companies Act, 2013 read with applicable rules thereunder.

The Audit Committee and Board of Directors, after a detailed review of the profile, experience and expertise of few audit firms / entities, have recommended the appointment of M/s BSR & Co., LLP, as Statutory Auditors of the Company, for approval of the members at the ensuing 84th Annual General Meeting of the Company (2020). Necessary resolution relating to their appointment is contained in the notice convening 84th Annual General Meeting.

3.3. Cost Audit & Maintenance of cost records

The appointment of Cost Auditor is not applicable to the Company under Companies (Cost Records and Audit) Rules, 2014. Further, the maintenance of cost records as prescribed under provisions of Sec 148(1) of the Companies Act, 2013 are also not applicable for the business activities carried out by the Company.

3.4. Secretarial Auditor

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in Practice, is the Secretarial Auditors of the Company as appointed by the Board of Directors in terms of Section 204 of the Act. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on June 24,

2020. The Secretarial Audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report'), for FY 2019-20 issued by M/s. S Krishnamurthy & Co., the Secretarial Auditor of the Company, have confirmed compliance with securities law applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on June 24, 2020. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

3.5. Internal Auditor

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, continues to be the Internal Auditors of the Company. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditor findings are discussed with the process owners and suitable corrective actions taken as per the directions of the Audit Committee on a regular basis to improve efficiency in operations. The Internal Auditor report directly to the Audit Committee and the Audit Committee while reviewing their performance scope, functioning, periodicity and methodology for conducting the Internal Audit, has taken into consideration their confirmation to the effect that their infrastructure, viz., Internal Audit structure, staffing and seniority of the officials proposed to be deployed etc. which are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

For FY 2019-20, the Audit Committee has taken on record their certification to the effect that:

- a. They have evaluated the internal control systems and risk management systems and reviewed the risk management systems and the management's process of identification and mitigation of risks and controls;
- b. There were no significant findings requiring follow-up there on and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee / Board;
- c. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;
- d. There were no deficiencies in the design or operation of internal controls;
- e. There were no significant changes in the internal control over financial reporting during the year under review;

- f. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting and
- g. The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

4. Directors' Responsibility Statement

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

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

5. Related Party Transactions (RPT)

All RPT that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The Company has not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., except for those disclosed in 'Annexure F' of this report. There are no materially significant related party transactions made by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

All RPT are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are entered in the ordinary course of business and repetitive in nature. The transactions entered into

pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis.

The Company has put in place a proper system for identification and monitoring of such transactions. Save as disclosed in this report none of the Directors or Key Managerial Personnel has any pecuniary relationships or transactions with the Company. The policy on RPT as approved is available at the web-link: http://ranegroup.com/rhl_investors/policy-on-related-party-transactions/

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material financial and commercial transactions (except in respect of their remuneration, as applicable), which may have potential conflict with interest of the Company at large.

6. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: 'to be a socially and environmentally responsible corporate citizen'. The CSR activities of Rane Group focus on four specific areas of (a) Education (b) Healthcare (c) Community Development and (d) Environment.

The CSR Committee of the Board is responsible for recommending CSR projects and activities to the Board in line with the CSR policy. The CSR committee monitors and reviews the implementation of CSR activities periodically.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Chairman & Managing Director and Dr. Sheela Bhide, Independent Director, as its members.

During the year the Company has contributed a sum of ₹1.15 crores on various CSR activities as per the CSR policy and recommendations of the CSR committee. 'Annexure C' to this report contains the annual report on CSR activities of the Company for FY 2019-20. The CSR policy of the Company is posted on the website at the web-link: http://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/.

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

The Company is conscious of the imperative to protect the environment and the natural resources for achieving sustainable economic growth and have started several initiatives in this regard such as conservation of energy and water and eco-friendly waste management system. In view of the nature of activities of the Company, disclosure relating to technology absorption is not applicable to the Company.

The disclosure of foreign exchange earnings and outgo, in terms of provisions of Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014 are given hereunder:

Foreign Exchange earnings and outgo (₹ in Crores)

Foreign Exchange	2019-20	2018-19
Earnings	0.28	0.38
Outgo	0.20	0.36

8. Particulars of Directors, KMP and employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, KMP and employees of the Company are provided as **Annexure** to this report.

9. Corporate Governance Report

Your Company is committed to maintaining the highest standards of Corporate Governance in spirit and also a leader in complying with the regulatory norms under the SEBI regulations and other laws and regulations applicable to the Company. The Corporate Governance Report and the certificate issued by the Statutory Auditors be annexed as 'Annexure D' to this report.

10. Business responsibility reporting

The Business Responsibility Report as applicable to the Company in terms of Regulation 34(2) of SEBI LODR for FY 2019-20 is provided in 'Annexure G' to this report. The Company practices various business responsibility initiatives as per the Business Responsibility framework of the Rane Group. This framework is developed and steered at Rane group under the able leadership and guidance of Mr. L Ganesh, Chairman & Managing Director who is also responsible for the implementation of the Business Responsibility initiatives.

11. Risk Management

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

12. Other disclosures

- The details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.
- The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- The policies approved and adopted by the Board have been made available on the Corporate Governance section of the Investor page on the website of the Company www.ranegroup.com.

- e) The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at www.ranegroup.com and in 'Annexure E' to this report.
- f) The Company has complied with the applicable Secretarial Standards, viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India (ICSI) as per section 118(10) of the Act.
- g) The details regarding shares and dividend transferred / proposed to be transferred to the Investor Education and Protection Fund (IEPF) and other relevant details in this regard, have been provided in the Corporate Governance section of this annual report.
- h) The Company does not accept any deposits falling under the provisions of section 73 of the Act and the rules framed thereunder.
- i) The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company.
- j) The Company has always provided a congenial atmosphere for work that is free from discrimination and harassment and has provided equal opportunities of employment to all irrespective of their caste, religion, colour, marital status and gender. The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has carried out awareness programmes / sessions on the mechanism established under this policy, across its various locations. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, comprising of Presiding Officers and members with an appropriate mix of employees and external subject matter experts. During the period, the details of complaints received / resolved or pending are as under:

No. of complaints received during the financial year	Nil
No. of complaints disposed during the financial year	Nil
No. of complaints pending as of end of the financial year	Nil

- k) The electronic copies of the annual report and the notice convening the 84th AGM would be sent to the members whose e-mail addresses are registered with the Company or their respective Depository Participants (DP). In terms of General Circulars no. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and 20/2020 dated May 05, 2020 issued by the Ministry of Corporate Affairs (MCA) read with SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 12, 2020, the Company has not printed physical copies of the annual report for distribution. The full Annual Report is available on the website of the Company and shall also be disseminated to the stock exchanges where shares of the Company are listed.

l) Annual General Meeting

In view of the government advisories issued on travel / public gatherings, in combating the COVID-19 pandemic and to support the health and well-being of all stakeholders, the 84th AGM would be conducted through video conferencing or other audio visual means on August 14, 2020 at 15:00 hrs (IST), as per the framework notified by Ministry of Corporate Affairs. The notice convening the 84th AGM shall contain detailed instructions and notes in this regard.

Acknowledgement

We thank our investors, customers, vendors, bankers, Regulatory and Government authorities, Reserve Bank of India, stock exchanges and business associates for their assistance, support and cooperation extended. We place on record our appreciation for the committed services of all our employees.

For and on behalf of the Board

	Ganesh Lakshminarayan	Harish Lakshman
	Chairman and Managing Director	Vice-Chairman and Joint Managing Director
Chennai June 24, 2020	DIN: 00012583	DIN: 00012602

Annexure - A to Report of the Directors

MANAGEMENT DISCUSSION AND ANALYSIS

1. Company Overview

Founded in 1929, Rane Holdings Limited, through its group Companies is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is a preferred supplier to major OEMs in India and abroad. The group Companies, manufacture Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Light metal casting products and Connected mobility solutions. The products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationary Engines. With modern manufacturing facilities across 25 locations in India and one in the USA, Rane Group's products are sold across 30+ countries.

2. Economic Review

2.1 Global Economy

According to the International Monetary Fund (IMF), Global economy is estimated to have grown at 2.9% in 2019, slower pace compared to 2018. This was primarily driven on the back of increasing trade tensions between US and China which led to decline in global manufacturing activity and trade. The slowdown in activity was severe across emerging market and developing economies, including Brazil, China, India, Mexico, and Russia, as well as a few economies suffering from macroeconomic and financial stress. Increasing uncertainty in the economic environment amid rising tariffs and rapid shifts in trade policies resulted in deteriorating business confidence and dampened investment growth across most regions. Sluggish demand for durable goods led to sharp decline in capital spending and international trade flow was severely impacted.

According to the IMF, the global economy is projected to contract sharply by 3.0% in 2020 amid the spread of the novel coronavirus which has significantly disrupted economic activity leading to weakening global demand and massive decline in investment and global trade. However, the IMF believes that there will be revival in growth after the impact of pandemic fades during the second half of 2020 and that the global economy is projected to grow by 5.8% in 2021. In an attempt to limit the economic and financial fallout from the coronavirus pandemic, various countries have adopted monetary easing and fiscal stimulus to revive the economy. Though the economy is likely to remain under stress in the near term, containment of ongoing contagion risk, pause in trade war, improving liquidity condition coupled with low oil prices is likely to bring stability to the battered economy.

2.2 Indian Economy

According to the IMF, India's economy is estimated to have grown at 4.2% in FY20, a significantly slower

rate than in FY19. The slowdown can be attributed to ongoing stress among Non-Banking Financial Companies (NBFCs), which resulted in credit squeeze, and negatively impacted consumption, investment and exports. The government announced several measures to revive the economy which includes capital infusion into public sector banks to improve liquidity and push credit off take, merger of public sector banks to enhance credit capacity, reduction in policy rates, sharp cut in corporate tax rate, sops for real estate for last mile funding for stalled projects and support to NBFCs under the Partial Credit Guarantee Scheme.

The Covid-19 pandemic has disrupted trade and manufacturing activity and brought the economy to a standstill. The Central Bank reduced policy rates and injected liquidity in the system to counter the looming threat of slowdown and kick-start the economy. The current estimates from various agencies suggest that Indian economy is expected to decline in FY21 due to the impact of deadly coronavirus on the manufacturing and trading activity.

3. Industry Review

3.1. Global Automobile Industry

U.S. auto sales declined slightly in 2019 on the back of tariff woes, increasing popularity of ride sharing services and rising car prices. Automakers sold more than 17 million vehicles in the U.S. for a fifth consecutive year in 2019 demonstrating underlying resilience. Low gas prices, favourable lending terms on the back of Fed rate cuts, low unemployment rates, healthy consumer sentiment and robust wage growth were tailwinds for U.S. auto sales in 2019. The National Automobile Dealers Association (NADA) has cut its forecast for U.S. new-vehicle sales in 2020 and expects it to be between 13.0 million to 13.5 million as the coronavirus pandemic spreads across the U.S. Additionally, record amount of non-housing debt, slowing retail spending, worsening consumer credit and rising defaults are some of the key concerns for the US auto industry.

According to European Automobile Manufacturers' Association (ACEA), the European new-car registrations increased by 1.2% across the European Union, the seventh consecutive year of growth, reaching more than 15.3 million units. Despite starting the year on a weak note due to the lasting impact of the introduction of the Worldwide Harmonised Light Vehicle Test Procedure (WLTP) in September 2018, pre-buy towards the end-of-the-year ahead of regulation changes helped in pushing the full year growth higher. In December 2019, sales rose 21.7% which compensated for lower sales in the earlier months. Results were diverse among the five major EU markets, Germany (+5.0%) recorded the largest increase last year, followed by France (+1.9%) and Italy (+0.3%). By contrast, both Spain (-4.8%) and

the United Kingdom (-2.4%) saw demand fall in 2019. Based on various market estimates Europe's auto sales is likely to contract by 25% due to the coronavirus pandemic.

The Global auto industry has entered into a new decade with unprecedented challenges and opportunities. The industry which was already reeling under tremendous pressure on the back of trade war and tough emission standards is now facing the heat of economic slowdown owing to the Covid-19 pandemic. However, growth is expected to pick up in the long term after the impact of the pandemic subsides. Going forward, stringent emission and safety standards, coupled with growing digitalization in vehicles is likely to result in increasing focus in the areas of Connectivity, Autonomy, Shared mobility, and Electrification of vehicles (CASE).

3.2. Indian Automobile Industry

The Indian automobile industry faced major headwinds during the fiscal year as the demand environment remained severely impacted by slowdown in the economy. The industry continued to face severe challenges in terms of credit availability owing to liquidity crisis in the NBFC sector, rising cost of vehicle ownership and stiff competition from growing organised pre-owned vehicle market.

The Passenger Vehicle (PV) segment experienced a decline of 15% affected by weak consumer sentiment, credit availability, higher purchase prices on account of insurance regulation and confusion around BS VI and EV transition. The decline in PV demand could also be partly attributed to the rising penetration of shared mobility and marginal shift toward pre-owned cars especially in entry-level segments. Slew of innovative launches amid growing preference for Utility Vehicles (UV) resulted in slight growth of 2% whereas the Passenger Cars volume declined by 20%.

The Commercial Vehicle (CV) segment volumes declined by 33%. The weaker economy resulted in lesser cargo demand and slower pace of infrastructure projects. Upward revision of axle load norms coupled with falling freight rates dented demand environment. The medium and heavy commercial vehicles (M&HCV) segment was significantly impacted with volumes declining 47% due to increased capacity post axle load norm revision along with poor freight availability, falling freight rates and slowdown in execution of infrastructure projects. The Light Commercial Vehicles (LCV) segment reported volume decline of 22% owing to slowdown in private consumption and weak finance availability. The Small Commercial Vehicles segment reported volume decline of 25%.

The farm tractor segment experienced a decline of 14% owing to low yield of rabi crops in 2019, erratic monsoon resulting in delayed sowing and lower demand from non-farm and export markets.

Industry Segment (Production figures)	Growth in % (YoY change)	
	FY20	FY19
Vehicles		
Passenger Cars (PC)	(20)	(1.3)
Utility Vehicles (UV)	2	0.5
Multi-Purpose Vans (MPV)	(38)	20.6
Passenger Vehicles (PV)	(15)	0.1
Small Commercial Vehicles (SCV)	(25)	39.7
Light Commercial Vehicles (LCV)	(22)	12.4
Medium & Heavy Commercial Vehicles (M& HCV)	(47)	28.4
Commercial Vehicles (CV)	(33)	24.1
Farm Tractors (FT)	(14)	11.3

Source: Society of Indian Automobile Manufacturers (SIAM)

3.3. Indian auto component industry

The Indian auto component industry is estimated to have declined by 11.6% in FY 20. This is attributed to the challenging demand environment across Indian automotive sector. The sector continued to focus on exports and aftermarket segments to partially mitigate the lower demand from Indian automotive OE segment.

The disruption caused by coronavirus has hit the automotive industry which was already facing headwinds in terms of declining demand and thus also affected the automotive component industry. While the slowdown caused by the pandemic is expected to affect the industry in the short term, the outlook for Indian auto component looks promising in the long term backed by its cost competitiveness, rising incomes, rapid urbanization, improving infrastructure and growing export opportunity. Introduction of BSVI (Bharat Stage VI) emission standards have opened up global export markets for local component makers who continue to improve their capabilities to match global standards. Auto component manufacturers would need to keep pace with the changing needs of automotive OEMs, who in turn are coping with changing consumer preferences, rapidly evolving emissions and safety regulations, and technological disruptions such as connectivity and e-mobility. Over the long term, the automotive value chain will see a large value shift to non-traditional sub-segments, such as advanced driver assistance systems (ADAS), data-enabled services, etc.

3.4. Indian Automotive Aftermarket Industry

Despite the automotive sales declining in fiscal 2020, the automotive aftermarket industry demonstrated resilience and remained pretty stable. The Indian Automotive Aftermarket industry is estimated to have grown at 3% in FY 20. Given the recession-proof nature of the segment, group Companies continued to maximise the opportunities in the Indian aftermarket by strengthening the distribution channel and also expanding the product range for the aftermarket segment. The future of the automotive secondary market looks promising amidst

all the transformations that the sector is undergoing. Digitization and data analytics will be the key driving force in the aftermarket in India.

4. Business Review

4.1 Rane Holdings Limited (RHL)

Operational Highlights

- The Group Companies registered a sale of around ₹4,300 crores.
- Continued to engage in various lean measures to improve productivity
- Implemented strategic savings initiatives on power, sourcing etc., at the group level
- RHL increased its investments in three of its subsidiaries, viz., Rane (Madras) Limited (RML), Rane Brake Lining Limited (RBL) and Rane t4u Private Limited (RT4U)

Financial Highlights

Standalone Financial Highlights

- Total Net Revenue was ₹97.78 crores for FY20 as compared to ₹128.49 crores in FY19, a decrease of 23.9%.
 - o Operating revenue decreased from ₹115.95 crores in FY19 to ₹97.31 crores in FY20 due to lower dividend income and trademark fee from Group Companies.
 - o Other income decreased from ₹12.54 crores in FY19 to ₹0.47 crores in FY20. There was a one-off income of ₹11.64 crores during previous year (FY19) on account of divestment of our shareholding in JMA Rane Marketing Limited.
- EBITDA stood at ₹62.42 crores as compared to ₹90.96 crores during FY19, a decrease of 31.4%
- Net profit (PAT) stood at ₹50.82 crores for FY20 as compared to ₹76.36 crores in FY19.

Standalone

The significant change in respect of debt equity ratio is primarily due to increase in borrowings towards capex requirements and investment in/ funding support to subsidiaries. Interest Coverage ratio also declined on account of a lower EBITDA, due to drop in trademark fee from the group companies, which is attributable to the general slowdown in the auto industry during FY20.

There is no significant change in other ratios. The return on networth declined to 11.41 % for FY 20 as against 18.79 % for FY 19 due to lower profits on account of aforementioned reasons. The RONW for FY 19 also include profits from divestment of entire shareholding of the company in one of the joint ventures during FY 19 and hence is not comparable.

Consolidated Financial Highlights

- Total Net Revenue was ₹2184.00 crores for FY20 as compared to ₹2,570.29 crores in FY19, a decrease of 15%.
- EBITDA stood at ₹170.92 crores as compared to ₹250.91 crores during FY19, recording a decrease of 31.9%.
- Net Loss stood at ₹10.47 crores for FY20 as compared to Net Profit (PAT) of ₹115.82 crores in FY19.

Consolidated

The significant change in respect of interest coverage ratio, operating profit margin and net profit margin is primarily due to drop in volumes across key segments in both domestic and export markets which has resulted in a drop in EBITDA in FY 20 as compared to the previous year, despite various aggressive fixed cost reduction measures put in place by the Group Companies.

There is no significant change in other ratios. The return on networth significantly declined to (1.2 %) for FY 20 as against 13.9 % for FY 19 due to drop in revenue owing to lower offtake by customers and also the general slowdown faced by the automobile sector during FY 20 which has resulted in lower profits. The consolidated networth was further impacted on account of exceptional expenditure pertaining to the provisions made towards impairment and product warranty claims, by the concerned Companies in the Group.

4.2 Subsidiary Companies

4.2.1 Rane (Madras) Limited (RML)

Operational Highlights

- The operations responded well by optimising the resources and sustaining efficiency levels as the demand was below stated capacity for steering products.
- Given the demand slowdown from OE customers, greater focus was given to both the independent aftermarket as well as supply of spares through OEMs.
- The R&D facilities were upgraded both at Chennai and Puducherry to meet the increased product performance requirements and support new product development
- Won the following awards from customers:
 - o Three awards from Maruti Suzuki in the areas of HR, Safety and Tier 2 supplier improvement
 - o Best supplier award from TAFE
 - o Best supplier award from VECV for NPD

- o Best supplier award from TML on OES demand fulfilment
- The Light Metal Casting business' sales witnessed significant decline over last year on lower demand of served models in India and globally. The operational performance continued to improve in FY20. The Light Metal Casting India business is diversifying its portfolio by pursuing both new OEMs and new product segments, which will enhance growth potential.

Rane Light Metal Castings Inc. (formerly, Rane Precision Die Casting Inc.)

The performance of the Company's overseas subsidiary in North America, Rane Light Metal Casting Inc. (RLMCA) continued to face challenges of lower off take across served customers and lower than anticipated volumes on new programs. However, RLMCA was able to make progress on new business and secured business from one of existing key customers and secured another business from a new non-automotive customer during this year.

The performance of the US subsidiary continues to remain a challenge, despite taking several measures to revive the business and operations.

The Covid-19 pandemic has significantly impacted the future of this business and this has forced the management to revisit the strategy and limit the investments. RML Board will review the performance of the business closely in the next 12 months and take an appropriate decision, keeping in view the long term interest of shareholders.

Financial Highlights

Standalone Financial Highlights

- Total net revenue was ₹1,119.23 crores for FY20 as compared to ₹1,380.82 crores in FY19, a decrease of 18.9%
- 24% de growth in the Indian market - Experienced volume drop across segments
- 3% de growth in the Aftermarket business
- 22% de growth in the exports market due to lower offtake in served segments and end of life in some customer programs
- EBITDA stood ₹98.50 crores as compared to ₹151.74 crores during FY19, a decrease of 35.1%
- Net Loss stood at ₹24.43 crores for FY20 which includes a provision for impairment of ₹37.58 crores as compared to Net Profit (PAT) of ₹47.24 crores in FY19

Consolidated Financial Highlights

- Total net revenue was ₹1,291.52 crores for FY20 as compared to ₹1,564.57 crores in FY19, a decrease of 17.5%.

- EBITDA stood at ₹60.34 crores as compared to ₹125.87 crores during FY19, a decrease of 52.1%
- Net Loss stood at ₹45.51 crores for FY20 as compared to Net Profit (PAT) of ₹2.42 crores in FY19

4.2.2 Rane Engine Valve Limited (REVL)

Operational Highlights

- Proactive R&D engagement with customers and developed alternate materials/technologies in tune with the market demand
- Despite drop in capacity utilisation, continued to improve productivity and quality during the year
- Continued the good performance on customer quality with less than 10 parts per million
- Won the following awards from the customer:
 - o Groupe Renault - Global award for Quality and customer satisfaction (Only Indian Company to be recognized)
 - o Hyundai - Appreciation award
 - o Cummins India - Supplier quality
 - o Renault Nissan India - Quality and Customer Satisfaction

Financial Highlights

- Total net revenue was ₹358.14 crores for FY20 as compared to ₹424.86 crores in FY19, recording a decrease of 15.7%
- 17% decline in the Indian market:
 - o Sales to OE customers was down by 16.9% due to drop in overall market across all segments
 - o Sales to the Aftermarket segment were down by 22.8%
 - o In the Exports market, OEM sales were down by 13.4% due to lower off take by the OEM customers. However, Export aftermarket sales grew by 9.4%.
- EBITDA stood at ₹13.31 crores as compared to ₹19.92 crores during FY19, a decrease of 33.1%
- Net loss stood at ₹16.34 crores for FY20 as compared to ₹13.57 crores in FY19

4.2.3 Rane Brake Lining Limited (RBL)

Operational Highlights

- Enhanced presence in Aftermarket with new product introductions, range development and dealer network expansion
- Quality enhanced capacity creation and simple automation projects undertaken at Trichy and Puducherry plants

- Enhanced formulation library with new formulations to address present and future vehicle technology requirements
- Added in-house solar project of 1.2 MW in Puducherry Plant
- RBL became a Great Place to Work certified Company for the third consecutive year

Financial Highlights

- Total net revenue was ₹481.43 crores for FY20 as compared to ₹520.97 crores in FY19, recording a decrease of 7.6%
 - Domestic OE sales registered a degrowth of 13%. The market drop was partially mitigated through volume enhancement in Two Wheeler segment.
 - The Aftermarket business declined by 1% growth
- EBITDA stood at ₹70.99 crores as compared to ₹74.86 crores during FY19, witnessing a decrease of 5.2%
- Net profit (PAT) stood at ₹34.34 crores for FY20 as compared to ₹36.53 crores in FY19

4.2.4 Rane t4u Private Limited (RT4U)

Industry performance FY 19-20

The Telematics Services Industry has been slowing down during the first few quarters of the year 19-20 even before Covid-19 hitting the businesses in Q4. This was because general slowdown in the Manufacturing and other sectors leading to the slowdown in Logistics Services sector.

Operational Highlights

Despite the slowing down of the economy and many of the customers postponing their growth plans, RT4U was able to sustain the Services Revenue and even able to grow the Services Revenue by around 8% during this fiscal year. But unfortunately, the Hardware revenues declined as the Customers postponed the expansion plans and the Covid-19 made the situation worse in Q4.

Financial Highlights

- Total net revenue was ₹19.74 crores for FY20 as compared to ₹24.30 crores for FY19
- EBITDA stood negative at ₹3.11 crores as compared to negative of ₹4.00 crores for FY19
- Net loss stood at ₹4.40 crores for FY20 as compared to ₹5.10 crores for FY19

Industry Outlook for FY 20-21

The spread of the Coronavirus pandemic is likely to result in severe contraction in global and Indian economy. This will create headwinds to the business

environment and significantly affect the served segments such as logistics, people mobility, etc. Due to the lockdowns, there are considerable delays for new businesses and expansions. From the operations point of view, Rane t4u is able to sustain with limited disruptions due to the Distributed Network Model. The company foresees improved business prospects during the second half of the fiscal year 20-21.

4.3 Joint Ventures

4.3.1 Rane TRW Steering Systems Private Limited (RTSS)

Operational Highlights

- Various cost savings initiatives including material cost reduction, productivity improvement projects and fixed cost reduction executed to reduce the impact of domestic market decline
- BSVI Compliant New Product Development (NPD) and in-house flexibility creation to accommodate new models were focused activities during this year across all the plants
- Introduced new seat belts technology SPR8 and added iFS1 technology in seat belts, Knee airbag (KnAB) and Curtain airbag (CAB) into the Company's product portfolio
- Ramped up capacity and started supplying of airbag cushions to ZF and captive consumptions
- Won the following customer awards:
 - Most Improved Supplier Award from Isuzu Motor India
 - Best Contribution Award from Renault Nissan
 - Business Alignment-Gold Award from Ashok Leyland LCV Division
 - Best Supplier Award by Renault Nissan India

Financial Highlights

- Total net revenue was ₹1,137.07 crores for FY20 as compared to ₹1,392.27 crores in FY19, recording a decrease of 18.3%
- EBITDA stood at ₹94.12 crores as compared to ₹180.53 crores during FY19, recording a decrease of 47.9%
- Net profit (PAT) stood at ₹33.19 crores for FY20 as compared to ₹88.58 crores in FY19

4.3.2 Rane NSK Steering Systems Private Limited (RNSS)

Operational Highlights

- Ramped up the production at Gujarat plant and started supplying to customers in the region
- Started performing design services for NSK Steering Systems Inc., USA.

- Initiated cost reduction measures in line with the volumes drop and was able to partially mitigate the impact

Financial Highlights

- Total net revenue was ₹1,148.94 crores for FY20 as compared to ₹1,410.60 crores in FY19, recording a decrease of 18.5%
- EBITDA stood at ₹115.25 crores as compared to ₹185.11 crores during FY19, witnessing a decrease of 37.7%
- Profit before exceptional items stood at ₹59.61 crores as compared to ₹137.75 crores during FY19, witnessing a decrease of 56.7%
- Net Loss stood at ₹29.59 crores for FY20 as compared to Net Profit (PAT) ₹68.84 crores in FY19. This includes an Exceptional expense towards estimated warranty provision of ₹104.5 crores in FY20 as against ₹31.3 crores in FY19

Warranty Provision

The counter measure addressing the problem was implemented and the warranty provision was made based on NSK's technical assessment on the potential number of units claiming warranty. The management expects no major future provisions on this warranty issue.

4.4 Opportunities and Threats

India is a growing economy, with an ever-increasing need for a robust transportation network to link its various metros and rural areas. Increase in working-age population, rising prosperity, easier access to finance and increasing affordability is expected to boost demand in the auto component industry.

Economic slowdown due to the Covid-19 pandemic which has paralyzed manufacturing and trading activity has posed serious challenges for the industry in the current year. Moreover, technological changes and environmental regulation continue to weigh on sector. The main threats to which auto component industry is exposed to are:

- Economic slowdown leading to contraction in demand remains one of the major threats which could lead to decreased volumes and capacity utilization.

- Continuing cost reduction demand from OEMs from whom the major portion of the future growth is expected to come.
- Increasing commodity prices and volatile forex movements.

4.5 Outlook

The spread of the coronavirus pandemic is likely to result in severe contraction in the global economy resulting in job losses, weak demand environment and stress in financial markets. The auto sector which has been going through its worst slowdown with slump in demand amid weak consumer sentiment and an uncertain regulatory environment is likely to face further headwinds during the first half of the fiscal 2021 owing to adverse economic impact of Covid-19 and cost push from new emission norms. Moreover, exports could be impacted owing to challenges being faced by the global auto industry in terms of slowing demand. However, the impact of the pandemic is likely to remain in the short term. In the medium term the Indian auto component manufacturers have the opportunity to establish themselves as preferred manufacturing suppliers to the global auto industry.

5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and their impact on the business. The top management reviews the strategic risks, and the risks with high probability and high impact every quarter and presents its report along with a risk mitigation plan to the Board of Directors on a half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. Other risks are covered as part of the internal audit process and presented to the Audit Committee every quarter. The business process risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of the internal audit process every quarter. The overall re-assessment of risks at the Company level is carried out and presented to the Board of Directors once in two years for their review.

	Risk	Nature of Risk	Risk Mitigation Strategies
Strategic	Industry/ Market Risk	80% of revenue is derived from the Indian automotive sector. Hence, any drop in vehicle production will have a significant impact on the Company's business	The Company constantly strives to: <ul style="list-style-type: none"> (a) Increase revenue from international markets (outside of India) (b) Add new products to increase organic revenue and diversify customers across vehicle segments (c) Improve presence in the Aftermarket segment, which presents an opportunity to compensate for any drop in the OE segment
	Technology Obsolescence Risk	Auto industry and customer preference undergo changes, resulting in technology obsolescence	The Company has consistently delivered cutting-edge technology products with enhanced R&D capabilities, localisation of testing and validation capabilities. Proactive engagement with customers at an early stage helps the Company to capture and work on the new technology development.
	Competition	Maintaining market share in the competitive market and availability of unorganised players pose further challenge	The Company's long-standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer surveys to understand customer feedback and work in furthering its relationship with the customers.
Operational	Quality / Processes	Quality and delivery are sacrosanct for the safety-critical products supplied by the Group	Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help the Company mitigate quality and delivery risks.
	People Risk	Attrition of key personnel could impact business operations and growth	The Company's HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports in building functional capabilities and developing a strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent.
	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin	The Company constantly strives to mitigate the input cost increases by: <ul style="list-style-type: none"> (a) Implementing a procurement function that will work on cost-reduction initiatives through alternate sourcing, localisation, etc. (b) Negotiating and passing through input cost, which increases suitably to the customers (c) Working on process improvements, yield improvements, etc.
Financial	Currency Risk	Exposed to foreign currency exchange risk as we export our products to various countries and import raw materials	The Company uses a multi-pronged approach as suitable to the scenarios. This approach includes: <ul style="list-style-type: none"> (a) Optimally balancing the import and export to create natural hedge (b) Working with customer to index prices to mitigate currency fluctuations (c) Taking simple forwards on a rolling basis to protect its export realisation
	Interest Rate Risk	Use of borrowings to fund expansion exposes the Company to interest rate risk	The Company manages interest rate risk on the following basis: <ul style="list-style-type: none"> (a) Maintaining optimal debt-equity levels (b) Using internal accruals to fund expansion (c) Constantly optimizing working capital to reduce interest costs

6. Human Resource Development and Industrial Relations

6.1. Talent Development Initiatives

In FY20, the Company focused on the following competency enhancement initiatives:

Leadership Development

Young Leadership Development (YLD) Batch-3 was rolled out for first time managers and matured individual contributors. 35 participants across the group underwent 4 days of facilitator led workshop delivered in two modules. The third module, an online learning plan curated from various open sources of learning, based on the conceptual underpinnings of the outbound experiential learning.

As part of High Potential Leadership Development (HPLD) Batch-6, 17 participants are working on action learning projects in teams within their respective businesses. Few of the high impact projects are enhancing business in the tractor segment through implementation of Hydraulic Power Assisted Systems (HPAS) and profitability enhancement of friction material plant. These projects were reviewed continuously by senior executives and peer learning sessions were organized to facilitate cross-learning.

"Leader as Coach" Batch - 2 was launched to cultivate appreciation of behavioural change and encourage the culture of development. Leaders were provided with insights on the elements of individual development through the concept of breakdown, skill, practices & reflection and four different dimensions of individual development as part of facilitator led sessions. 16 leaders across Rane Group are undergoing the 10-month learning journey and have completed the first module comprising of 2 days of classroom session and one-on-one interaction with the coach.

Rane Group won "Organization Development Excellence Award" for its exceptional leadership development practices at Transcendence 2019, an annual international conference on organisation development (OD), change and leadership organised by the Tata Institute of Social Sciences (TISS), which was held in December 2019 at TISS Convention Centre, Mumbai.

Rane Manufacturing Systems Professional Programme (RMSP)

40 participants from Batch-1 & Batch-2 completed their 18-month learning journey. As part of course completion, the assessors were invited to share their feedback on the various projects handled by the participants. 14 participants were awarded with cash prize and merit certificate on the basis of final evaluation by Jury. 35 participants from Batch 3 & 4 completed the course and are due for final evaluation. 63 participants from Batch 5, 6 and 7 are undergoing their RMSP learning journey.

Managerial & Technical Competency Development Programs

58 programs were organized during the year comprising Manufacturing Systems, General Management, Soft Skills and Business Specific. Design for Manufacturing, QC Methodology, Customized SAP programs were organized as part of business specific programs. Manufacturing Systems programs such as Low Cost Automation, Noise, Vibration & Harshness, Value Engineering were also organised. Plant & Functional Heads underwent "Making an Informed Choice" program and were provided with insights and skills on talent assessment & demonstrating Rane employer brand promise with the candidates.

6.2. Employee Engagement and Well-being

The Company believes in enhancing employees' everyday experiences and in building meaningful workplace relationships. Employee feedback surveys and discussions help us by providing insights on what is important to employees. The follow up mechanism ensures that change and progress occur. In recognition of our efforts, four of our Group Companies RBL, REVL, RML and RTSS has been certified as Great Place to Work Companies with RBL retaining this recognition for three consecutive years and all business units GPTW score has increased in comparison with the previous year.

With an objective to promote a culture of well-being and improving health outcomes, the Company organises wellness events, renders wellness services and provides supplementary resources. The Company rolled out an app based workplace wellness program where employees compete in wellness goals through challenges such as stepathon.

6.3. Digital Initiatives

Learning Management System (LMS) - To transform the learning experience of employees and fast track the competency enhancement, Rane Institute for Employee Development (RIED) rolled out LMS. The platform will facilitate the learning cycle of employees through enabling self-nomination, supporting multiple learning methods and identifying & tracking individual's developmental needs thus promoting a learner centric approach culture. This new age platform provides several features such as virtual classrooms, 360-degree feedback, digital library and tracking of learning effectiveness.

Kick-start is a mobile application that provides consistent induction experience to all the new hires. The platform provides micro learning content on Rane Group's mission, products, policies etc. leading to better learning results and business outcomes and improving the engagement levels significantly.

To facilitate the whistle blowers to report instances of unethical behaviours securely, a workflow was rolled-out. The entire cycle of reporting to resolution

compliance has been addressed through the whistle blowing management system.

6.4. Industrial Relations

During the financial year, long-term wage settlements with the employee union were signed across various plants. The industrial relations were generally cordial in all the plants. A group level industrial relations council was constituted with the objective of co-creating a healthy working environment by promoting peace and harmony among all the segments of employees. The focus areas for the council includes interpretation and implementation of legislations, workforce mix planning for optimal deployment and sharing best practices.

7. Information Technology (IT)

Rane Data Centre (RDC) provides service delivery of IT infrastructure, application development and information security across Group Companies. During the year, several projects and Proof of Concepts (PoC) were initiated and pursued to prepare the organization for migration from SAP R3 to SAP Hana. To facilitate the seamless transition, as a first step Business Warehouse database of development and quality system was migrated to Hana database and production migration is under progress. Further, initiated PoC of migration of ERP to S4 Hana, which is currently underway.

To comply with the customer and regulatory requirements, several traceability related projects were initiated. Component level traceability system for incoming & outgoing materials has been developed and implementation is in progress at Rane TRW - Occupant Safety Division. At the shop floor, Manufacturing Execution System (MES) production traceability was implemented in Rane (Madras) Limited. The above systems shall be horizontally deployed in other plants.

As part of Industry 4.0 initiatives, PoC for Original Equipment Efficiency solution has been successfully completed in a few plants and the same shall be rolled out in other plants. To further the sustainable development, Smart Utility Management solution PoC is being tested to monitor and reduce the energy, water and pneumatic utilisation. Further, as part of digitalization efforts, Purchase Information Record workflow has been developed and implemented and a cloud based contract management system with version control and repository was deployed.

The Information Security Management System has been strengthened by implementing additional data protection measures such as USB encryption. On the information security front, REVL was certified under ISO 27001. With REVL's certification, all the entities in Rane Group are now certified under ISO 27001 for information security.

8. Corporate Social Responsibility (CSR)

The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The Company continues to focus on four thrust areas for its CSR activities - Education, Healthcare, Environment and Community Development. In FY20, the Group implemented several projects by primarily focusing on Education and Healthcare.

Rane Foundation, a public charitable trust founded in the year 1967, is the lead for implementing Rane Group's CSR initiatives. 'Community First' has been the founding principle of the Rane Foundation. The foundation is continuously working to live the vision - 'To be a socially and environmentally responsible corporate citizen'. The foundation's efforts are humble yet persistent effort over the years has touched thousands of lives and brought about a positive change in society in the areas of Education, Healthcare, Environment and Community Development.

Rane Group Companies contribute to various sustainability initiatives to improve the quality of life for the local communities. All the 25 manufacturing plants maintain the highest standards in continuously reducing industrial waste and pollutants. The Company's employees volunteer their time, management expertise and execution skills to help make life better for the society.

8.1. Education

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its ninth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. Over the last few batches, 1284 students have completed their diploma program, of which, 212 students will complete the program in the last academic year. Over 90% of the students were placed through campus interviews. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy in June 2018. Rane Vidyalaya is recognised by Directorate of School Education, Tamilnadu and is affiliated to the Central Board of Secondary Education, New Delhi. In 2019-20, it operated with a student strength of 235, in standards Kindergarten to V (five).

8.2. Healthcare

In the healthcare space, the foundation extended support for the following initiatives:

- To physically challenged people in and around Trichy through Freedom Trust. With the help of qualified Doctors and paramedical staff, a

disability assessment camp was conducted in Spastics Society Campus, Tiruchirappalli District and mobility aids were distributed to 35 beneficiaries as part of this project.

- Provided partial financial support towards constructing a state of the art hospital that will lay emphasis on improving diagnostics and treatment options for breast cancer, by Shri Dhanvantri Trust.

9. Internal Control Systems

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

The internal audit function is carried out by a professional firm of independent assurance service providers. The Audit Committee and the Board, in consultation with

the internal auditor, statutory auditor and operating management, reviews and approves the annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meetings for review. The management's responses and corrective measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations, including resource utilisation and system efficacy.

10. Cautionary statement

The information and opinion expressed in this Report may contain certain forward-looking statements, which the management believe are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report.

Annexure - B to the Report of the Board of Directors

SECRETARIAL AUDIT REPORT

for the Financial Year ended March 31, 2020

Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members of

Rane Holdings Limited

[CIN: L35999TN1936PLC002202]

"Maithri", No.132, Cathedral Road,

Chennai - 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by RANE HOLDINGS LIMITED ('the Company') during the Financial Year from April 01, 2019 to March 31, 2020 ('the year' / 'audit period' / 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, Minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related actions taken by the Company, during the year as well as after March 31, 2020, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the directors / key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain labour related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the Financial Year ended on March 31, 2020, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as 'Annexure -A'.

1. Compliance with specific statutory provisions

We further report that:

- 1.1 We have examined the books, papers, Minute books and other records maintained by the Company, the

forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:

- (i) The Companies Act, 2013, and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
- (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment and Overseas Direct Investment ('FEMA').
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR').
- (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').
- (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').

- 1.2 During the period under review, and also considering the compliance related action taken by the Company after March 31, 2020, but before the issue of this report, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) The Company has complied with the applicable provisions of the Act, Rules and Regulations mentioned in paragraph 1.1 (i) to (iv) above.
- (ii) The Company has complied with the applicable provisions of the SEBI Regulations and Agreements mentioned in paragraph 1.1 (v) and (vi) above.

- (iii) The Company has complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3) and Secretarial Standards - 4 (SS-4) on 'Report of the Board of Directors', being non-mandatory, have not been adopted by the Company.

1.3 We are informed that, during / in respect of the year:

- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, Minute books or other records or file any forms or returns under:
- (a) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of External Commercial Borrowings;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; and
 - (g) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.
- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence, the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes

We further report that:

2.1 Board constitution and balance

- (i) The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR.
- (ii) As on March 31, 2020, the Board of Directors of the Company comprises of:
- (a) 2 (two) Executive Directors;

- (b) 1 (one) Non-Executive Non-Independent Director; and

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

- (iii) The process relating to the following changes in the composition of the Board of Directors during the year, was carried out in compliance with the applicable provisions of the Companies Act, 2013, and SEBI LODR:

- (a) Resignation of Mr. Anjanikumar Choudhari (DIN: 00234208) as an Independent Director, as per the retirement policy of the Company, with effect from conclusion of the meeting of the Board of directors held on May 27, 2019.

- (b) Re-appointment of Mr. L Lakshman (DIN: 00012554) as a Director, upon retirement by rotation at the 83rd Annual General Meeting (AGM) held on August 8, 2019.

- (c) Appointment of Mr. Pradip Kumar Bishnoi (DIN: 00732640) as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years from August 8, 2019, upto the conclusion of the 88th Annual General Meeting (AGM) or August 7, 2024, whichever is earlier.

- (d) Re-appointment of Dr. V Sumantran (DIN: 02153989) as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) consecutive years, from the conclusion of the 83rd AGM held on August 8, 2019, upto the conclusion of the 88th AGM or August 7, 2024, whichever is earlier.

- (e) Appointment of Mr. Harish Lakshman (DIN: 00012602) as Joint Managing Director in the designation of Vice Chairman, for a period of 5 (five) years from August 1, 2019 to July 31, 2024, which was approved by the members at the 83rd AGM held on August 8, 2019.

2.2 Board meetings

- (i) Adequate notice was given to all the directors to enable them plan their schedule for the Board Meetings.

- (ii) Notice of Board meetings was sent to all the directors atleast 7 (seven) days in advance.

- (iii) Agenda and detailed notes on agenda were sent to the directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings, with the requisite consent from the Board of Directors as required under SS-1:

- (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and

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

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

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

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

3. Compliance mechanism

We further report that:

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

4. Specific events / actions

We further report that, during the audit period, the following events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards:

A. Investment in Rane (Madras) Limited

Pursuant to preferential issue of warrants made by Rane (Madras) Limited (RML), a subsidiary company, Rane Holdings Limited (RHL) acquired 17,42,160 warrants of ₹10/- each, on December 18, 2019, upon payment of the warrant subscription price of ₹71.75/- per warrant (being 25% of the issue price of ₹287/- per equity share) aggregating to ₹12.50 crores. The warrants are convertible into 17,42,160 fully paid-up Equity shares of ₹10/- each in RML, at a price of ₹287/- per equity share, upon application by RHL and payment of the warrant exercise price of ₹215.25/- per warrant, on or before the expiry of 18 (eighteen) months from the date of allotment.

Acquisition of 5,80,720 fully paid-up Equity shares of ₹10/- each in RML, on March 20, 2020, pursuant to conversion of 5,80,720 warrants, out of the 17,42,160 warrants allotted by RML to RHL on December 18, 2019, and payment of the warrant exercise price of ₹215.25/- per warrant (being the balance 75% of the issue price of ₹287/- per equity share) aggregating to ₹12.50 crores by RHL. Consequent to this allotment, the shareholding of RHL in RML increased from 73,80,678 Equity shares of ₹10/- each (61.64%) to 79,61,398 Equity shares of ₹10/- each (63.42%).

B. Investment in Rane Brake Lining Limited

Further investment of ₹1.29 crores in Rane Brake Lining Limited, a subsidiary company, through market purchase of an aggregate of 20,259 Equity shares of ₹10/- each (0.26%) at various prices during June 2019.

C. Investment in Rane t4u Private Limited

Further investment of ₹3.51 crores in Rane t4u Private Limited, a subsidiary company, by way of acquisition of 10,000 Equity shares of ₹10/- each, and subscription to 35,00,000 Compulsorily Convertible Preference Shares (CCPS) of ₹10/- each, at par.

D. Investment in Auto Tech Fund I, LP

Further investment of USD 700,000 in Auto Tech Fund I L.P., an overseas technology fund towards share of capital contribution as one of the Limited Partners in the Fund.

For S. Krishnamurthy & Co.,
Company Secretaries

K. Sriram
Partner

Membership No.: F6312
Certificate of Practice No.: 2215
UDIN: F006312B000373371

Chennai
June 24, 2020

Annexure - A to Secretarial Audit Report of even date

To the Members of
Rane Holdings Limited
 [CIN: L35999TN1936PLC002202]
 "Maithri", No.132, Cathedral Road,
 Chennai - 600 086.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2020, is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
4. While forming an opinion on compliance and issuing this report, we have taken an overall view, based on the compliance practices and procedures followed by the Company. We have considered:
 - (a) Compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as

being in compliance with law, wherever there was scope for multiple interpretations.

- (b) Compliance related action taken by the Company after March 31, 2020, but before the issue of this report; and
 - (c) Notifications / Circulars issued by the Ministry of Corporate Affairs / the Securities and Exchange Board of India / Reserve Bank of India, in respect of relaxation of time-lines for certain compliances as mentioned therein.
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
 6. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
 7. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. Krishnamurthy & Co.,
 Company Secretaries

K. Sriram
 Partner

Membership No.: F6312
 Certificate of Practice No.: 2215
 UDIN: F006312B000373371

Chennai
 June 24, 2020

Annexure - C to the Report of the Board of Directors

ANNUAL REPORT ON CSR ACTIVITIES

for the financial year 2019 - 20

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The Company's CSR vision is committed to contributing towards its societal responsibilities beyond statutory obligations. The Company's Corporate Social Responsibility (CSR) philosophy is to function in a socially and environmentally sustainable manner recognizing the interests of all its stakeholders.

Our CSR vision is 'to be a socially and environmentally responsible corporate citizen'. We believe that being a responsible corporate citizen is central to our purpose and values, allowing ourselves to inspire trust amongst our business partners and motivate people to make the right choices for the business, communities and planet. Our belief in good citizenship drives us to create maximum impact in areas of:

- (a) Education;
- (b) Health Care;
- (c) Environment; and
- (d) Community Development

The policy on CSR recommended by the CSR Committee was approved and adopted by the Board of Directors is available on the website of the Company at the weblink: [http:// ranegroup.com/ rhl_investors/ corporate-social-responsibility-policy/](http://ranegroup.com/rhl_investors/corporate-social-responsibility-policy/)

Overview of the projects implemented during 2019 -20:

During the year, the Company has implemented several projects primarily focusing on Education followed by Healthcare.

Education

The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its ninth academic year. The Institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 19-20. Over the last few batches, 1284 students have completed their diploma program, of which, 212 students will complete the program in 19-20. Over 90% of the students are placed through campus interview. The institution endeavours to offer quality technical education and sustainable development of the rural youth.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy. Rane Vidyalaya was established in June 2018 in Theerampalyam, Mannachannallur Taluk, Trichy district, with a mission of providing quality education for rural children. The school began functioning from the

academic year 2018-19. The aim of Rane Vidyalaya is to provide a conducive learning environment to children, develop well qualified teachers and support staff for continuous improvement and to recognize diversity of talent amongst children by promoting extra - curricular activities. The school offers nursery and primary education to start with and shall gradually scale to offer up to higher secondary education in due course of time. Rane Vidyalaya is recognised by the Directorate of School Education, Tamilnadu and has got affiliated to the Central Board of Secondary Education, New Delhi. In 2019-20 it operated with the student strength of 235, for standards KG to V.

Healthcare

In the healthcare space, the Company extended support for the following initiatives:

- Support for physically challenged people in and around Trichy through Freedom Trust. With the help of qualified Doctors and paramedical staff, a disability assessment camp was conducted in Spastics Society Campus, Tiruchirappalli District and mobility aids were distributed to 35 beneficiaries as part of this project.
- Provided partial financial support through Shri Dhanvantri Trust, towards construction of a state of the art hospital, that will lay emphasis on improving diagnostics and treatment options for breast cancer.

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of RHL is headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Management CSR Committee of the Company to act on their behalf. The members of the CSR Committee are:

Board CSR committee	Management CSR committee
Mr. L Lakshman, Committee Chairman, Non-Executive & Promoter Director	Mr. R Venkatanarayanan President - Corporate Services
Mr. L Ganesh, Committee Member, Chairman, Managing Director & Promoter	Mr.J Ananth Vice President - Finance & CFO
Dr. (Ms.) Sheela Bhide, Committee Member, Non-Executive & Independent Director	

3. Average net profit of the Company for last three financial years

(₹ in Crores)

Particulars	2016-17	2017-18	2018-19
Net profit for the year (PAT)	49.86	48.79	76.36
Adjusted Net profit (as per Section 198)	36.89	59.56	76.01
Average Net profit	57.49		

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹115 Lakhs

5. Details of CSR spent during the financial year.

- (a) Total amount to be spent for the financial year: ₹115.01 Lakhs
- (b) Amount unspent, if any: Nil
- (c) Manner in which the amount spent during the financial year is detailed below:

(₹ in Lakhs)

Sl. No.	CSR Activity	Sector in which activity is covered	Project / Programs 1) Local Area / 2) District (State)	Budget	Amount Spend - Subheads 1) Direct 2) Implementing Agency	Cumulative Expenditure upto the reporting period	Amount Spent: Directly or through an implementing agency
1	Education	Support towards CSR initiatives of Rane Foundation including establishing of Rane Vidyalaya (School project)	Other-Trichy, Tamil Nadu	101.15	101.15	101.15	Implementing Agency: Rane Foundation - 101.15
2	Health Care	Rehabilitation of handicapped & paraplegics	Other-Trichy, Tamil Nadu	3.86	3.86	105.01	Implementing Agency: Freedom trust - 3.86
3	Health Care	Support towards construction of Hospital to provide treatment for breast cancer	Local-Chennai, Tamil Nadu	10.00	10.00	115.01	Implementing Agency: Dhanavantri Trust -10.00
Total				115.01	115.01	115.01	

6. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report - Not Applicable

7. Responsibility statement of the CSR Committee

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have

undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

Chennai
June 24, 2020

**Ganesh
Lakshminarayan**
Chairman &
Managing Director
DIN: 00012583

**Lakshman
Lakshminarayan**
Chairman of the
Committee
DIN:00012554

Annexure - D to the Report of the Board of Directors

CORPORATE GOVERNANCE REPORT**1. Philosophy on Code of Governance**

The Rane Group's time tested philosophy of Governance is based on principles of integrity, transparency and fairness. The Rane businesses seek enhancement of shareholder value within this framework. Directors' code of conduct and employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour - RANE COMPASS".

Rane Group, being a good corporate citizen, complies and abides by the laws and regulations of the land, both in letter and spirit. Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment, drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR).

The Company recognises the rights of all its stakeholders and encourages co-operation between the Company and its stakeholders to enable their participation in the corporate governance process as enshrined in the Ethical Standards of Behavior - RANE COMPASS.

2. Board of Directors**Composition, Attendance & Meetings**

The Board comprises of seven (7) directors including one Executive Chairman and one Executive Vice Chairman. The majority of Directors (4) are independent. There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. The composition of the Board is aimed at maintaining an appropriate balance of skills,

background, experience and knowledge of the Board for guiding the Company in achieving its objectives in a sustainable manner and the composition of the Board at end of FY 2019-20 is in conformity with Regulation 17 of SEBI LODR.

To the best of our knowledge and information furnished to the Board, total Directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013 read with Regulation 17A of SEBI LODR. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Director in more than seven (7) listed companies and where any Independent Director is serving as Whole-Time Director in a listed Company, he / she serves as Independent Director in not more than three (3) listed companies. Similarly, none of the Directors on the Board is a member of more than 10 Committees or Chairperson of more than 5 Committees across all listed and unlisted public Companies in which he/she is a Director in terms of Regulation 26 of SEBI LODR. The Directors periodically notify the Company about changes in the Directorship / Committee positions as and when they takes place.

During the year, the Board met four (4) times on May 27, 2019, August 08, 2019, November 08 2019 and February 06, 2020 and requisite quorum was present throughout these meetings. The Company facilitates the participation of the Directors in Board / Committee meetings through video- conferencing or other audio visual mode, on matters other than those restricted as per applicable laws for the time being in force. The details of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee memberships / chairman position(s) held by them in other public companies as on March 31, 2020 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (August 08, 2019)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Lakshman Lakshminarayan (00012554)	Chairman Emeritus, Non-Executive & Promoter	4	Yes	-	4	2	4
Mr. Ganesh Lakshminarayan (00012583)	Chairman, Managing Director & Promoter	4	Yes	3	5	-	5

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (August 08, 2019)	Number of Directorship in other public companies #		Number of Committees Membership @	
				Chairperson	Member	Chairperson	Member
Mr. Harish Lakshman (00012602)	Vice Chairman, Joint Managing Director & Promoter	3	No	1	5	1	2
Dr. V Sumantran (02153989)	Non-Executive & Independent	4	Yes	-	2	-	2
Dr. (Ms.) Sheela Bhide (01843547)	Non-Executive & Independent	4	Yes	-	-	-	-
Mr. Rajeev Gupta (00241501)	Non-Executive & Independent	3	Yes	1	5	-	4
Mr. Pradip Kumar Bishnoi (00732640)	Non-Executive & Independent	3	NA	-	2	1	4

excludes Directorships held on the Boards of private Companies, debt securities listed companies, Section 8 Companies, debt listed companies and Companies incorporated outside India and includes Chairpersonship & Directorship held in a deemed public Company

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

Note:

1. Mr. Anjanikumar Choudhari retired as an Independent Director of the Company on May 27, 2019
2. Mr. Harish Lakshman was appointed as Joint Managing Director (in the designation of Vice-Chairman) for a period of 5 years with effect from August 01, 2019 as approved by the members of the Company at their 83rd AGM held on August 08, 2019
3. Mr. Pradip Kumar Bishnoi was appointed as an Independent Director of the Company with effect from August 08, 2019 by the members of the Company at their 83rd AGM

The details of other Directorships held by the Directors of this Company in other listed entities as on March 31, 2020 are as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Non- Executive Promoter*
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
Mr. Harish Lakshman	Rane (Madras) Limited	Vice Chairman, Non-Executive & Promoter
	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman, Non-Executive & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Mr. L Lakshman	Rane (Madras) Limited	Non-Executive & Promoter
	Rane Brake Lining Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Non-Executive & Promoter
	SRF Limited	Non-Executive & Independent
Dr. (Ms.) Sheela Bhide	-	-
Dr. V Sumantran	UCAL Fuel Systems Limited	Non-Executive & Independent
	TVS Electronics Limited	Non-Executive & Independent
Mr. Rajeev Gupta	Vardhman Special Steels Limited	Chairman, Non-Executive & Independent
	EIH Limited	Non-Executive & Independent
	Cosmos Films Limited	Non- Executive & Non- Independent
	T.V. Today Network Limited	Non-Executive & Independent
	United Spirits Limited	Non-Executive & Independent
Mr. Pradip Kumar Bishnoi	Avadh Sugar & Energy Limited	Non-Executive & Independent
	Rane (Madras) Limited	Non-Executive & Independent

* ceased to be the Managing Director in REVL and continues as a Non-Executive Director with effect from April 01, 2020

Mr. L Lakshman is related to Mr. L Ganesh and Mr. Harish Lakshman. There is no inter-se relationship among other Directors of the Company.

The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II and in particular the annual operating plans and budgets, quarterly results for the Company, minutes of meetings of Audit Committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc. were discussed by the Board.

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

The disclosure regarding meeting of Independent Directors, Board and Directors' performance evaluation are discussed in detail in the Directors Report. In the opinion of Board, the Independent Directors fulfill the

conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

The Company issues formal letter of appointment to all the Independent Directors, whenever they are appointed / re-appointed and the terms and conditions of appointment of Independent Directors have also been disclosed in the website of the Company at www.ranegroup.com.

The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the web-link at http://ranegroup.com/rhl_investors/familiarisation-programme-for-independent-Directors/

Skills, expertise and competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allows them to make effective contributions to the Board and committees. The Board ensures and maintains the highest standards of Corporate Governance. The skills, expertise and competencies identified by the Board, in the context of the automotive business in which the Company operates and for it to function effectively, inter-alia, are as follows:

Areas / Fields	Skills / Competence / Expertise	Name of the Director
Industry and Technology	Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network	Mr. L Ganesh
		Mr. Harish Lakshman
		Mr. L Lakshman
		Mr. Pradip Kumar Bishnoi
Business Development	Experience in driving business success across various geographies, diverse business environment, economic conditions and its cultures and global market opportunities	Dr. V Sumantran
		Mr. L Ganesh
		Mr. Harish Lakshman
		Mr. L Lakshman
Governance	Having insight into maintaining effective Board and management relationship, protecting stakeholders interest and observing appropriate governance practices.	Mr. Pradip Kumar Bishnoi
		Dr. V Sumantran
		Mr. Rajeew Gupta
		Dr. (Ms.) Sheela Bhide
Allied Disciplines	Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations and human resource.	Mr. L Ganesh
		Mr. Harish Lakshman
		Mr. L Lakshman
		Mr. Rajeew Gupta
		Dr. (Ms.) Sheela Bhide

3. Audit Committee

Composition, Attendance & Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year on May 27, 2019, August 08, 2019, November 08 2019 and February 06, 2020 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Dr. V Sumantran	Chairman, Non-Executive & Independent	4
Mr. L Ganesh	Member, Executive & Promoter	4
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	4
Mr Rajeew Gupta	Member, Non-Executive & Independent	3

Note:

Mr. Anjanikumar Choudhari attended one meeting and ceased to be a member of the committee with effect from May 27, 2019

All the members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditor and the Internal Auditor were present as invitees in all the meetings. The President - Finance, Vice President - Finance & CFO of the Company attended the meetings by invitation. Based on the requirement, other Directors also attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board. The Chairman of the Audit Committee was present at the last AGM of the Company held on August 08, 2019.

Overall purpose and terms of reference

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

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 and other applicable provisions of SEBI LODR and Act, as amended from time to time. In line with these provisions, the Company has framed an Audit Committee Charter, which is subject to review by the Board of Directors .

The terms of reference and roles of the Audit Committee are in line with the provisions of SEBI LODR / Companies Act, 2013 and inter-alia include review of the following matters:

- Quarterly / Annual financial statements with Statutory Auditor and management before submission to the Board
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism and prohibition of insider trading.
- Evaluation of internal financial controls and risk management systems
- Management discussion and analysis of financial condition, results of operation financial and risk management policies of the Company.

- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto
- Compliance with listing and other legal requirements relating to financial statements
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the Company, as and when required
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company
- Utilization of loans and/ or advances from/ investment by the Company to its subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments
- Recommends appointment of Auditor and their remuneration and approves the appointment of CFO
- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditor / Internal Auditor

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the Statutory Auditor of the Company. The Statutory Auditor is eligible to issue limited review report as the audit firm has been subjected to peer review process of Institute of Chartered Accountants of India (ICAI). The Audit Committee approves payments to Statutory Auditor for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013 read with relevant rules made thereunder and provisions of SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPT), including any modifications thereto, as per the policy on RPT. The Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors, viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee.

On a quarterly basis, the Audit Committee reviews RPT entered into by the Company pursuant to each of the omnibus approval. The Audit Committee reviews

all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of Internal Auditor observations, statutory compliances.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings:

The NRC is constituted in terms of Section 178 of the Companies Act, 2013 read with Regulation 19 of SEBI LODR. The Company Secretary acts as the Secretary to the Committee. The Committee met four (4) times during the year on May 27, 2019, August 08, 2019, November 08, 2019 and February 06, 2020 with requisite quorum present throughout these meetings. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Dr. V Sumantran	Chairman, Non-Executive & Independent	4
Mr Pradip Kumar Bishnoi	Member, Non-Executive & Independent	3
Mr. L Lakshman	Member, Non-Executive & Promoter	3

Note:

1. Dr. V Sumantran was appointed as the Chairman of the Committee with effect from May 27, 2019
2. Mr. L Lakshman was inducted as a member of the Committee with effect from May 27, 2019
3. Mr. Pradip Kumar Bishnoi was inducted as a member of the Committee with effect from August 08, 2019
4. Mr. Harish Lakshman and Mr. Anjanikumar Choudhari each attended one meeting and ceased to be members of the Committee with effect from May 27, 2019

Overall purpose and terms of reference

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

- To formulate criteria for determining qualifications, positive attributes and Independence of Director for evaluation of performance of Independent Directors and the Board
- To approve the remuneration policy of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)
- To devise policy on Board diversity
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the CEO / Managing Directors

- To evaluate performance, recommend and review remuneration of the Executive Directors based on their performance
 - To recommend to the Board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation
 - To consider and recommend professional indemnity and liability insurance for Directors, KMP and SMP
 - To recommend to the Board, all remuneration, in whatever form, payable to senior management
- During the year, the NRC, inter alia,
- recommended the appointment of Mr Pradip Kumar Bishnoi as Independent Director
 - recommended the re-appointment of Dr. V Sumantran as Independent Director for a second term
 - reviewed the compensation and benefits of senior management personnel (SMP) and Key Managerial Personnel (KMP) of the Company
 - reviewed the process for evaluation of the Board, its Committee & Directors
 - recommended the appointment and remuneration of Mr Harish Lakshman as Joint-Managing Director
 - recommended remuneration payable to Mr L Ganesh, Chairman & Managing Director and Mr Harish Lakshman, Vice Chairman & Joint Managing Director for the FY 2019-20

Remuneration to Directors

In accordance with the remuneration policy and the approval accorded by members by way of a special resolution under Section 197 of the Companies Act, 2013 and the Rules made thereunder, Mr. L Lakshman, Chairman Emeritus and Mr. L Ganesh, Chairman and Managing Director are entitled to commission on profits calculated as per Section 198 of the Companies Act, 2013. Accordingly, for the FY 2019-20 the Company has paid a sum of ₹100 Lakhs, on a monthly basis, as commission to Mr. L Lakshman and ₹119 Lakhs as commission to Mr. L Ganesh. The same represents 1.68% and 2% of the net profits of the Company for the FY 2019-20, respectively. Also, in accordance with shareholders approval, an advisory fees of ₹100 Lakhs has been paid to Mr. L Lakshman during the FY 2019-20 for the advisory services rendered by him in his professional capacity.

Payment of commission and advisory fees to Mr. L Lakshman for the year 2019-20 has been additionally approved by members in terms of Regulation 17(6)(ca) of SEBI LODR Regulations 2015, in view of the same exceeding fifty per cent of the total annual remuneration payable to all Non-Executive Directors.

Accordingly, in terms of Regulation 17(6)(ca) of SEBI LODR, annual approval of shareholders is being proposed at the ensuing 84th AGM for payment of commission and advisory fees to Mr. L Lakshman, in the current FY 2020-21.

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

Remuneration Policy

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

Sitting Fees

The Company has paid sitting fees to all the Directors,

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding as at the year ended March 31, 2020 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2020
Mr. L Ganesh	-	3,10,48,054	12,09,533
Mr. Harish Lakshman	60,000	38,10,477	1,24,882
Mr. L Lakshman	2,30,000	1,00,39,600	11,14,745
Dr. V Sumantran	2,80,000	-	-
Dr. (Ms.) Sheela Bhide	2,60,000	-	-
Mr. Rajeev Gupta	1,65,000	-	-
Mr. Pradip Kumar Bishnoi	1,65,000	-	-
Mr. Anjanikumar Choudhari	75,000	-	-

Note:

- Shareholding includes joint holdings & HUF, if any
- Mr. Anjanikumar Choudhari ceased to be an Independent Director with effect from May 27, 2019
- Mr. Harish Lakshman received sitting fee until August 01, 2019
- No other remuneration except sitting fees was paid to non-executive Directors
- Remuneration paid to Mr. L Lakshman, Chairman Emeritus and Mr. L Ganesh, Chairman & Managing Director are based on shareholder's approval vide postal ballot results declared on May 16, 2017
- The remuneration paid to Mr. L Ganesh comprises of salaries & allowances - ₹1,37,21,720 ; perquisites - ₹54,26,334; and commission & performance linked incentive - ₹1,19,00,000, based on recommendation of the NRC and approval of the Board of Directors at their respective meetings held on August 08, 2019
- The remuneration paid to Mr. L Lakshman comprises of Commission - ₹1,00,00,000; Perquisites - ₹39,600, but excludes advisory fees of ₹1,00,00,000 paid in for the advisory services rendered by him his professional capacity.
- Mr. Harish Lakshman, Vice-Chairman & Managing Director receives remuneration in the form of rent free accommodation only, which includes facilities in the nature of telecommunication, gas, electricity, in accordance with provisions of Income Tax Act, 1961. The monetary equivalent of the same is ₹38,10,477, etc. and the same is as per the recommendation of the NRC and approval of the Board of Directors accorded at their respective meetings held on August 08, 2019. He does not receive any other remuneration from the Company and receives remuneration

apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. Except as disclosed herein, the Company has not paid any other remuneration to the Directors. The sitting fees payable per meeting of Board and its Committees are as hereunder:

Type of Meeting	Sitting fees per meeting (₹)
Board	45,000
Audit committee	15,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

The Board of Directors at their meeting held on June 24, 2020 have decided that no sitting fee shall be payable for FY 2020-21, as a gesture of support, in view of the prevailing economic uncertainties due to the COVID-19 pandemic.

from one of the joint venture companies, viz. Rane TRW Steering Systems Private Limited (RTSS). The total remuneration received by him from both the Company and RTSS is within the limits prescribed under the Companies Act, 2013.

9. Mr. L Ganesh, Chairman and Managing Director of the Company receives remuneration in the form of sitting fees for attending meetings of the Board and Committee(s) and commission on net profits, as per Section 197 of the Companies Act, 2013 from two of the subsidiary companies viz., Rane (Madras) Limited and Rane Brake Lining Limited.
10. No shares of the Company were pledged by the Directors. There is no stock option scheme prevailing in the Company.

5. Stakeholder's Relationship Committee

Composition & Attendance of Meetings:

The Stakeholder's Relationship Committee looks into grievances of shareholders and redresses them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR. The Company Secretary is the compliance officer of the Company and acts as the Secretary to the Committee. The Committee met four (4) times during the year on May 27, 2019, August 08, 2019, November 08 2019 and February 06, 2020 with requisite quorum present throughout these meetings. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non - Executive & Promoter	3
Mr. L Ganesh	Member, Non - Executive & Promoter	4
Dr. (Ms.) Sheela Bhide	Member, Non - Executive & Independent	4

Note:

1. Mr. L Lakshman inducted as member and appointed as Chairman of the Committee with effect from May 27, 2019
2. Mr. Harish Lakshman attended one meeting and ceased to be a member and Chairman of the Committee with effect from May 27, 2019

Overall purpose and terms of reference

The terms of reference and roles of the SRC are in line with provisions of SEBI LODR and Companies Act, 2013 viz., as detailed hereunder:

- To resolve the grievances of the security holders of the Company including complaints related to

transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.

- To review measures taken for effective exercise of voting rights by shareholders
- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company

Details of investor complaints for the year reviewed by the SRC are as under:

Nature of Complaint	Received	Resolved	Pending at the end of the year
Non-receipt of Annual Report	1	1	-
Non-receipt of Annual Report	1	1	-
Non Receipt of Share Certificates	1	1	-
Non-receipt of Dividend	1	1	-

The Chairman of the SRC was present at the last AGM of the Company held on August 08, 2019 to answer queries of the stakeholders. During the year no complaints were received under the SEBI Complaints Redress System (SCORES) mechanism. There are no investor complaints pending unresolved at the end of the financial year 2019-20. During the year under review the SRC also reviewed the Internal Audit report issued to RTA, in line with the SEBI's Circular dated April 20, 2018 and suggested a regular follow-up on the corrective measures taken by RTA, wherever applicable.

6. Corporate Social Responsibility Committee (CSR)

Education, Healthcare, Community Development and Environment are the four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company. The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time. The Committee met once during the year on May 27, 2019. The Company Secretary acts as the Secretary to the Committee. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non-Executive & Promoter	1
Mr. L Ganesh	Member, Executive & Promoter	1
Dr. (Ms.) Sheela Bhide	Member, Non-Executive & Independent	-

Note:

1. Mr. Anjanikumar Choudhari attended one meeting and ceased to be a member of the Committee with effect from May 27, 2019
2. Dr. (Ms.) Sheela Bhide inducted as a member of the Committee with effect from conclusion of the Board meeting held on May 27, 2019

Overall purpose and terms of reference

The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board. The terms of reference of the Committee are as follows:

- (i) Formulate and recommend CSR Policy, for approval of the Board
- (ii) Approve projects that are in line with the CSR policy
- (iii) Have monitoring mechanisms in place to track the progress of each project
- (iv) Recommend the CSR expenditure to the Board of the Company for approval
- (v) Review new proposals and existing projects' status

The report on CSR projects undertaken during the year 2019-20 as approved by the CSR Committee in consultation with the Board is annexed to this report in 'Annexure C'

7. Other Committees

Share Transfer Committee

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization / split / consolidation, issue of duplicate share certificates etc. to a committee comprising of such senior officials designated from time to time. The Committee meets on a case to case basis to approve share transfers and transmissions and the details of such transfer / transmissions of securities are placed to the Board. No sitting fees is payable to the committee members.

Consequent to SEBI's notification dated November 30, 2018, amending the provisions of regulation 40 of

SEBI LODR regarding prohibition of transfer of shares in physical effective from April 1, 2019 and also by the initiatives taken by the Company to reach out to investors holding shares in physical form, there were no transfer of securities in physical form processed during the year except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders), if any.

Finance Committee

A Finance committee comprising of one Non-Executive Director and two Executive Directors, Mr. L Ganesh, Mr. Harish Lakshman and Mr. L Lakshman as its members is authorised to approve borrowings as per the delegations made by the Board. During the year no meeting was held. The Company Secretary acts as Secretary to the Finance Committee of the Board.

Executive Committee

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

The Company Secretary acts as Secretary to the Executive Committee of the Board.

Investment Committee

To make investments in the subsidiary / associate Companies, the Board has delegated the power to Investment Committee comprising of executives who are not directly engaged in the operations of the Company or any other Companies in the Rane Group. The Committee met once on June 10, 2019, inter-alia, to approve matters relating to creeping acquisition of equity shares of Rane Brake Lining Limited from open market. No sitting fees is payable to the Committee members. All the members of the Committee were present at the meeting. The Company Secretary acts as Secretary to the Investment Committee.

8. Code of conduct

The Board of Directors has laid down a code of conduct i.e. "Ethical Standards of Behaviour - RANE COMPASS" for all Board members and employees of the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company at the weblink http://ranegroup.com/rhl_investors/code-of-conduct/. The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct.

A declaration from the Chairman & Managing Director of the Company to this effect forms part of this report.

Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information"

in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at the weblink: http://ranegroup.com/rhl_investors/rhl-code-of-fair-disclosure/

9. General Body Meetings

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

Date of AGM	Special resolutions passed	Time	Venue
August 08, 2019 (83 rd AGM)	Re-appointment of Dr. V Sumantran as an Independent Director for a second term Approve appointment and remuneration of Mr. Harish Lakshman as Joint managing Director in the designation as Vice Chairman Approve the remuneration payable to Mr. L Lakshman exceeding fifty percent of the total remuneration payable to all Non- Executive Directors Approve the remuneration payable to Mr. L Ganesh and Mr. Harish Lakshman both promoter executive Directors	10:15 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai -600 014
August 02, 2018 (82 nd AGM)	Re-appointment of Dr. (Ms.) Sheela Bhide as an Independent Director for a second term Approval of transactions under Section 185 of the Companies Act, 2013	10:15 hrs	
August 31, 2017 (81 st AGM)	Re-appointment of Mr. Anjanikumar Choudhari as an Independent Director for a second term	10:15 hrs	

No resolution was passed either through postal ballot or Extra-Ordinary General Meeting during the Financial Year 2019-20.

10. Disclosures

- i. During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., except as disclosed in 'Annexure F' to the report of the Board of Directors. The transactions entered with related parties during the year were in the ordinary course, at arms' length and not in conflict with the interests of the Company. All routine and periodic transactions with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions as per Ind AS as stated in note no. 38 of the financial statements. The policy on related party transaction is available on the website of the Company at the web-link http://ranegroup.com/rhl_investors/policy-on-related-party-transactions/
- ii. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
 - iii. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
 - iv. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
 - v. The Company has complied with the following non-mandatory requirements prescribed under Part - E of Schedule II, Chapter IV of the SEBI LODR:
 - (i) dissemination to the stakeholders financial performance and summary of significant events through earnings / conference calls with investors on quarterly basis.
 - (ii) adopted best practices to ensure a regime of financial results / statement with unmodified audit opinion
 - (iii) internal auditor directly reporting to the Audit Committee

- vi. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.
- vii. The Company has no material unlisted subsidiary in terms of SEBI LODR. However, the Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website at the weblink http://ranegroup.com/rhl_investors/rhl-policy-on-material-subsiidiaries/
- viii. The Company has obtained Certificate from a Company Secretary in Practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority. The Certificate obtained is attached as an Annexure to the Corporate Governance report.
- xiv. The total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditor (including all entities in the network firm / network entity) is given hereunder:
- ix. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 including the compliance with the code of conduct as prescribed in Schedule - IV of the Companies Act, 2013 and Regulations 16 and 25 of SEBI LODR and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective and independent judgment without any external influence.
- x. In terms of regulation 25 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
- xi. The Managing Director and CFO of the Company have certified to the Board on the integrity of the financial results / statements, effectiveness of internal controls and significant changes in internal control /accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
- xii. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
- xiii. The Board has accepted / considered all the recommendation(s) made by its Committee(s) during the relevant financial year.

Name of the entity	(₹ in Crores)			
	Paid by the Company	Paid by the Subsidiaries	Paid by the Company	Paid by the Subsidiaries
	FY 2019-20	FY 2019-20	FY 2018-19	FY 2018-19
Deloitte Haskins and Sells, Chartered Accountants (DHS)	0.20	0.46	0.20	0.47
Net Work entities and firms of DHS	0.13	0.34	0.08	0.29
Total	0.33	0.80	0.28	0.76

- xv. During the year, the Company has not raised any funds through preferential allotment or qualified institutions placement, hence, the details of utilization of funds does not arise.
- xvi. The Company on a periodical basis reviews various policies framed under the Companies Act, 2013 and SEBI LODR and such other statutes, as applicable and amends them based on the requirement to ensure conformity with relevant regulatory changes and industry practices.

11. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any exposure hedged through Commodity derivatives. The Company has

well defined forex exposure guidelines approved by the Board of Directors and forex exposures are suitably hedged through plain vanilla forward covers.

12. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. During the year under review, the working of the policy was reviewed and approval of the Board was secured to amend certain provisions to strengthen and align the internal mechanism for dealing with any reliable information under this policy. It also addresses the protection

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

The policy and the mechanism for reporting have been appropriately communicated across all locations of the Company. No person has been denied access to the ombudsperson / Audit Committee. During the year under review, there were no complaints received or pending for resolution through mechanism. The whistle blower policy has also been posted in the Company's website at the weblink: http://ranegroup.com/rhl_investors/rhl-whistle-blower-policy/

13. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results, shareholding pattern and other disclosures / filings requirements under Regulation

17 to 27 and 46(2)(b) to (i), of SEBI LODR, wherever applicable, were also uploaded in the websites of the Stock Exchanges and the Company viz., www.ranegroup.com. During the year, presentations were made to analysts / institutional investors and they were also made available in the website of the Company.

During the previous year, the shareholders of the Company whose e-mail addresses were registered with the Company / Depository Participants (DPs) were provided with a link to the annual report of the Company via e-mail and those who opted to receive the documents in physical mode were provided with a physical copy.

14. General Shareholder Information

i. Information about Director(s) seeking appointment / re-appointment in this Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2):

Name of the Director	Mr. Ganesh Lakshminarayan	Mr. Harish Lakshman
Father's Name	Mr. L L Narayan	Mr. L Lakshman
Director Identification Number (DIN)	00012583	00012602
Age (in years)	66	46
Date of Birth	March 18, 1954	February 12, 1974
Educational Qualifications	B.Com., ACA, MBA	B.E. - BITS Pilani, MSM - Purdue University, USA.
Experience	Mr. L Ganesh is a member of the Institute of Chartered Accountants of India (ICAI) and has MBA from London Business School, Pennsylvania State University. He is the Chairman of the Rane Group of Companies. He has around 43 years of industrial experience. He has served as the President Automotive Component Manufacturers Association & Madras Management Association, Southern Regional Chairman of Confederation of Indian Industries (CII). He is also the Honorary Consul for New Zealand in South India.	Mr. Harish Lakshman has over 24 years of industrial experience and has held various positions in the areas of marketing, operations, business development overseas and other corporate functions. He currently spearheads the future growth plan for Rane Group.
Date of first appointment on the Board	August 01, 2009	May 19, 2005
Terms and Conditions of appointment	Proposed to be re-appointed as Managing Director for a term of five years as detailed in the resolution.	Re-appointment as a Director, liable to retire by rotation.
Last drawn remuneration	₹ 3,10,48,054	₹ 38,70,477
Remuneration sought to be paid	As detailed in the resolution. The proposed remuneration is commensurate with the responsibilities of the appointee and is in line with the remuneration practices in the auto component industry.	No approval is being sought for payment of remuneration.
Relationship with other Directors / Manager / KMP	Brother of Mr. L Lakshman, Chairman Emeritus	Son of Mr. L Lakshman, Chairman Emeritus

Other Directorships	Chairman 1. Rane Brake Lining Limited 2. Rane (Madras) Limited 3. Rane Engine Valve Limited 4. Rane TRW Steering Systems Private Limited 5. Rane NSK Steering Systems Private Limited Director 1. EIH Ltd. 2. EIH Associated Hotels Ltd. 3. Chennai Willingdon Corporate Foundation	Chairman 1. Rane t4u Private Limited Vice-Chairman 1. Rane (Madras) Limited 2. Rane Engine Valve Limited Director 1. Rane Brake Lining Limited 2. Rane TRW Steering Systems Private Limited 3. Rane NSK Steering Systems Private Limited 4. Oriental Hotels Limited 5. Young Presidents Organisation (Chennai Chapter) 6. Savithur Enterprises Private Limited 7. HL Hill Station Properties Private Limited 8. Rane Holdings America Inc. 9. Rane Light Metal Casting Inc., USA (formerly Rane Precision Die Casting Inc.)
Committee Memberships / Chairpersonship in other Boards	Member - Audit 1. Rane Brake Lining Limited 2. Rane TRW Steering Systems Private Ltd. 3. Rane NSK Steering Systems Private Ltd. 4. EIH Associate Limited 5. EIH Limited Member - Stakeholders' Relationship 1. Rane Engine Valve Limited 2. Rane Brake Lining Limited	Chairman - Stakeholders' Relationship 1. Rane Brake Lining Limited Member - Stakeholders' Relationship 1. Rane (Madras) Limited
Number of meetings of the Board attended during the year	Four	Three
Number of equity shares held (including joint holding & HUF, if any)	12,09,533	1,24,882

ii. **Annual General Meeting**
August 14, 2020 (Friday) at 15:00 hrs (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OVAM").

iii. **Financial Year: April 01, 2020 - March 31, 2021**

Financial Calendar:

Board meeting for approval of	Tentative schedule
Audited Annual financial results and financial statements for the year ended March 31, 2020	June 24, 2020
Unaudited financial results for the 1 st quarter ending June 30, 2020	By second week of August 2020
Unaudited financial results for the 2 nd quarter ending September 30, 2020	By first week of November 2020

Unaudited financial results for the 3rd quarter ending December 31, 2020

By first week of February 2021

(both standalone and consolidated financial statements and financial results)

The above dates are only tentative in nature and may undergo changes based on the legal / administrative requirements.

iv. **Dividend**

During the year 2019-20, the Board of Directors declared an interim dividend of 40% (i.e., ₹4.00 per share) on the equity share capital on February 18, 2020. The interim dividend was paid on February 26, 2020 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 18, 2020, being the Record Date fixed for this purpose.

The Board of Directors of the Company at their meeting held on June 24, 2020 have considered and recommended a final dividend of 40% (₹4/- per share) on the equity share capital for approval of the shareholders at the ensuing 84th AGM to be held on August 14, 2020. The final dividend, if declared, would be paid to those eligible shareholders whose name appears in the register of members of the Company as on August 7, 2020 (being the Record Date fixed for this purpose).

v. **Listing on Stock Exchanges**

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RANEHOLDIN
BSE Limited (BSE)	505800
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	

Listing Fee

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The

Company has paid the Annual Listing fee for the financial year 2020 - 21 to NSE & BSE where the shares of the Company continue to be listed. The shares of the Company were not suspended from trading during the FY 2019-20.

vi. **Unpaid / Unclaimed Dividends**

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2013 and thereafter which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government within the respective due dates.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹2,79,632/- for the financial year ended March 31, 2012 and interim dividend amount of ₹2,88,249.50/- for the financial year ended March 31, 2013 to IEPF on September 25, 2019 and March 16, 2020 respectively. The Company has sent reminder letters to each of the shareholder whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2020) (₹) ^	Last Date for claiming unpaid Dividend	Due date for transfer to IEPF
31.03.2013	12.08.2013	4.50	4,15,273.50	17.09.2020	17.10.2020
31.03.2014	12.08.2014	6.50	5,41,638.50	17.09.2021	17.10.2021
31.03.2015	12.08.2015	7.50	6,79,710.00	17.09.2022	17.10.2022
31.03.2016	10.03.2016	10.00	8,54,010.00	15.04.2023	15.05.2023
31.03.2017*	09.02.2017	3.50	3,64,476.00	17.03.2024	16.04.2024
31.03.2017	31.08.2017	5.00	4,72,815.00	06.10.2024	05.11.2024
31.03.2018*	06.02.2018	5.50	3,23,334.00	14.03.2025	12.04.2025
31.03.2018	02.08.2018	9.00	5,27,634.00	07.09.2025	07.10.2025
31.03.2019	07.02.2019	8.00	4,59,224.00	15.03.2026	14.04.2026
31.03.2019	27.05.2019	11.00	5,36,481.00	02.07.2026	01.08.2026
31.03.2020*	06.02.2020	4.00	3,50,248.00 @	14.03.2027	13.04.2027

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

* Interim dividend

^ amounts reflect confirmation of balance issued by Banks

@ based on bank reconciliation

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed Dividend amounts as on March 31, 2019 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. www.ranegroup.com.

vii. **Transfer of shares to IEPF Authority**

Pursuant to section 124 and 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the Company is required to transfer the equity shares in respect of which dividends

are not claimed for the last 7 years by any shareholder to the IEPF Authority. In accordance with the said IEPF rules, the Company has sent reminder letters to the shareholders whose shares were due to be transferred to IEPF Authority and simultaneously published notices in newspapers.

The shares pertaining to FY 2012-13 (Interim Dividend) are due for transfer to the IEPF Authority pursuant to Section 124(6) of the Companies Act, 2013. MCA has vide General circular No. 16/2020 dated April 13, 2020 issued relaxation in timelines due to COVID-19 pandemic and the Company is taking steps to effect the transfer of shares within such extended timelines, once the normalcy is restored. The details of shares transferred to the IEPF Authority, during the year, are detailed hereunder:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares transferred
2011 - 12 (Final)	734

The Company has remitted / transferred the dividends declared on the shares already transferred to the IEPF Authority and the details are available in the Company's web-link at www.ranegroup.com. The other benefits, if any, arising out of shares already transferred to IEPF Authority will also be received by the IEPF Authority unless those shares are claimed by the shareholders.

No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority. However, the shareholders may claim their shares / dividend by filing the electronic request for the same by following the procedure available on the website of IEPF at www.iepf.gov.in. The shares relating to unclaimed Dividend for FY 2012-13 (Final) are liable to be transferred to IEPF Authority during the current FY 2020-21. In this regard, the Company shall intimate

/ publish notice in newspapers and requisite details would be made available on the Investors section of the Company's website at www.ranegroup.com. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website.

viii. **Unclaimed share suspense**

In accordance with Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares. The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same. The movement of unclaimed shares in unclaimed suspense account, during the year are as follows:

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	286	41,950
Requests for transfer during the year	32	4,644
Transfers to IEPF during the year	32	4,644
Balance at the end of the year	254	37,306

ix. **Share Price Data**

The equity shares of the Company are listed and admitted to dealings on two nationwide stock exchanges viz. National Stock Exchange of India Ltd. and BSE Ltd., The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 01, 2019 - March 31, 2020 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)		High	Low	Share Prices (₹)		High	Low
	High	Low			High	Low		
April 2019	1,603.00	1,161.00	39,487.45	38,460.25	1599.00	1161.50	11,856.15	11,549.10
May 2019	1,299.85	1,091.00	40,124.96	36,956.10	1299.00	1086.60	12,041.15	11,108.30
June 2019	1,222.00	1,019.70	40,312.07	38,870.96	1235.15	1020.00	12,103.05	11,625.10
July 2019	1,080.00	888.50	40,032.41	37,128.26	1090.00	890.45	11,981.75	10,999.40
August 2019	1,005.50	821.00	37,807.55	36,102.35	1004.05	803.00	11,181.45	10,637.15
September 2019	1,012.00	879.90	39,441.12	35,987.80	1014.45	880.20	11,694.85	10,670.25
October 2019	930.00	838.50	40,392.22	37,415.83	933.00	833.60	11,945.00	11,090.15
November 2019	918.90	740.60	41,163.79	40,014.23	909.90	741.15	12,158.80	11,802.65
December 2019	927.20	670.60	41,809.96	40,135.37	927.90	664.70	12,293.90	11,832.30
January 2020	837.00	709.55	42,273.87	40,476.55	848.95	705.10	12,430.50	11,929.60
February 2020	837.00	590.60	41,709.30	38,219.97	838.80	590.00	12,246.70	11,175.05
March 2020	625.00	288.00	39,083.17	25,638.90	623.85	280.00	11,433.00	7,511.10

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

x. **Registrar and Transfer Agent**

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

Integrated Registry Management Services Private Limited

SEBI Registration No. INR000000544
II Floor, 'Kences Towers', No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017
Phone : 28140801 - 03, Fax : 28142479, 28143378
e-mailID: corpserv@integratedindia.in

Name of the contact person:

Mr. K Suresh Babu, Director

xi. **Share Transfer System & Share Capital Audit**

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and demat / remat requests in co-ordination with the RTA. The Share transfers and transmissions are approved and registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges. The PCS has certified that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

xii. **Distribution of shareholding as on March 31, 2020**

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	10,187	91.74	7,80,363	5.46
501 - 1000	380	3.42	2,82,786	1.98
1001 - 2000	192	1.73	2,79,476	1.95
2001 - 3000	96	0.86	2,40,672	1.68
3001 - 4000	34	0.31	1,18,395	0.82
4001 - 5000	28	0.25	1,25,596	0.87
5001 - 10000	84	0.76	6,05,812	4.24
10001 & above	103	0.93	1,18,44,709	82.95
Total	11,104	100.00	1,42,77,809	100.00

xiii. **Shares**

Dematerialization

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors. As on March 31, 2020, about 98.77% of the shareholdings has been dematerialised. The promoter and promoter group hold their entire shareholding only in dematerialised form. A comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares - As on		% to total capital - As on	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Physical	1,75,289	1,87,033	1.23	1.31
Demat	1,41,02,520	1,40,90,776	98.77	98.69
Total	1,42,77,809	1,42,77,809	100.00	100.00

The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: **INE384A01010**

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

Transfer of shares in demat mode only

As per SEBI norms, with effect from April 1, 2019 (or such other date as may be notified), only transmission or transposition requests for transfer of securities shall be processed in physical form. All other transfers shall be processed in dematerialised form only.

xiv. **Credit Rating**

The details of credit ratings, including revisions, if any, assigned to the debt instruments / total bank loan facilities of the Company during the year ended March 31, 2020 are as follows:

Rating Agency	Security - Type	(₹ in Crores)	Credit Rating	Outlook	Status (Assigned / Re-affirmed / Revised / Withdrawn)	Date of credit rating obtained
ICRA Limited	Long term	50.00	AA-	Stable	Re-affirmed	26-11-2019
	Commercial Paper	10.00	A1+	-	Withdrawn	
ICRA Limited	Long term	50.00	AA-	Stable	Revalidated upto	06-09-2019
	Commercial Paper	10.00	A1+	-	30-11-2019	

xv. **Address for communication:**

The Compliance Officer
Rane Holdings Limited
 Rane Corporate Centre,
 "Maithri" 132, Cathedral Road,
 Chennai 600 086.
 Ph.28112472
 e-mail ID: investorservices@ranegroup.com

OR

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

Annexure (i)

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

[In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
 The Members of
Rane Holdings Limited [CIN: L35999TN1936PLC002202]
 "Maithri", No.132, Cathedral Road, Chennai - 600 086.

We hereby certify that, in our opinion, none of the Directors on the Board of **RANE HOLDINGS LIMITED** ("the Company") as on **March 31, 2020**, as listed below, have been debarred or disqualified from being appointed or continuing as Directors of Companies, by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA):

Sl. No.	Name of the Director	Nature of Directorship	Director Identification Number (DIN)
1.	Lakshman Lakshminarayan	Chairman Emeritus, Non-Executive, Promoter	00012554
2.	Ganesh Lakshminarayan	Chairman, Executive, Promoter	00012583
3.	Harish Lakshman	Vice Chairman, Executive, Promoter	00012602
4.	Sheela Bhide	Non-Executive, Independent	01843547
5.	Venkataramani Sumantran	Non-Executive, Independent	02153989
6.	Rajeev Gupta	Non-Executive, Independent	00241501
7.	Pradip Kumar Bishnoi	Non-Executive, Independent	00732640

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the Directors available in the official web site of the Ministry of Corporate Affairs; and

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

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment / continuation as a Director on the Board of the Company. Our responsibility is to express an opinion on this, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the Corporate Governance processes followed by the management of the Company.

For S Krishnamurthy & Co.,
Company Secretaries,

K. Sriram,
Partner

Chennai
June 24, 2020

Membership No.: F6312
Certificate of Practice No.: 2215
UDIN: F006312B000373723

Annexure (ii)

To
The Members,
Rane Holdings Limited

Declaration by Manager on the Code of Conduct pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, hereby declare that to the best of my knowledge and information, all the Board members and Senior Management Personnel have affirmed compliance with 'Ethical Standards of Behaviour - RANE COMPASS', the code of conduct, for the year ended March 31, 2020.

Chennai
June 24, 2020

Ganesh Lakshminarayan
Chairman & Managing Director
DIN: 00012583

Annexure (iii)

To
The Members of
Rane Holdings Limited

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated August 29, 2019.
2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of Rane Holdings Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No.008072S)

Ananthi Amarnath
Partner
(Membership No. 209252)
UDIN: 20209252AAAAGP7164

Chennai
June 25, 2020

Annexure - E to the Report of the Board of Directors

EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2020

Form No. MGT-9

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the (Companies Management and Administration) Rules, 2014]

I. Registration And Other Details

(i)	CIN	L35999TN1936PLC002202
(ii)	Registration Date	March 03, 1936
(iii)	Name of the Company	Rane Holdings Limited
(iv)	Category / Sub-Category of the Company	Public Company-Limited by Shares/ Indian/ Non-Government Company
(v)	Address of the Registered office and contact details	"Maithri", No.132, Cathedral Road, Chennai - 600 086 Phone: 044 - 2811 2472 Website: www.ranegroup.com e-mail ID: investorservices@ranegroup.com
(vi)	Whether listed Company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited II Floor, 'KencesTowers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai - 600 017 e-mail ID: corpserv@integratedindia.in Phone: 044 2814 0801; Fax: 044 2814 2479 Contact person: Mr. K Suresh Babu, Director II Floor, 'KencesTowers', No.1, Ramakrishna Street,

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Dividend income	642-6420-64200	34.30
2	Trademark fees	774-7740-77400	32.16
3	Information technology support service	620-6202-62020	15.34
4	Management consultancy service	702-7020-70200	11.95

III. Particulars of Holding, Subsidiary, Wholly Owned Subsidiary, Associate Companies and Joint Ventures

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	% of shares held	Applicable Section
Subsidiary Companies					
1.	Rane (Madras) Limited	"Maithri", No.132, Cathedral Road, Chennai - 600086,	L65993TN2004PLC052856	63.42	
2.	Rane Engine Valve Limited		L74999TN1972PLC006127	54.82	
3.	Rane Brake Lining Limited	Tamil Nadu, India	L63011TN2004PLC054948	46.59	
4.	Rane t4u Private Limited (Formerly known as Telematics4u Services Private Limited)	#9, 2 nd Floor, 1 st Main, New Bel Road, Sanjaynagar, Bangalore - 560094, Karnataka, India	U72900KA2009PTC049462	70.01	2(87)

Sl. No.	Name of the Company	Address of the Company	CIN/GLN	% of shares held	Applicable Section
Step Down Subsidiary Companies					
1.	Rane (Madras) International Holdings B.V	Hoogoorddreef 15, 1101 BA Amsterdam, The Netherlands	Not Applicable	100.00	
2.	Rane Light Metal Casting Inc. (Formerly known as Rane Precision Die Casting Inc.)	232, Hopkinsville Road, Russellville Kentucky - 42276-1280, United State of America	Not Applicable	100.00	2(87)
Wholly Owned Subsidiary					
1.	Rane Holdings America Inc.	160 Greentree Drive, Suite 101, Dover City, County of Kent, 19904	Not Applicable	100.00	
2.	Rane Holdings Europe GmbH (formerly Mainsee 1038. V V GmbH)	Mutze korsch, Rechtsanwalts gesellschaftmbH, TrinkausstraBe 7, Dusseldorf 40213	Not Applicable	100.00	2(87)
Joint Venture Companies					
1.	Rane TRW Steering Systems Private Limited	"Maithri", No.132, Cathedral Road, Chennai - 600 086, Tamil Nadu, India	U35999TN1987PTC014600	50.00	2(6)
2.	Rane NSK Steering Private Systems Limited		U29141TN1995PTC030621	49.00	

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
1. Indian									
(a) Individual- HUF	31,82,075	-	31,82,075	22.29	31,82,075	-	31,82,075	22.29	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp.	-	-	-	-	-	-	-	-	-
(e) Banks - FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	31,82,075	-	31,82,075	22.29	31,82,075	-	31,82,075	22.29	-
(2) Foreign									
(a) NRIs - Individuals	34,39,114	-	34,39,114	24.09	34,39,114	-	34,39,114	24.09	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp.	-	-	-	-	-	-	-	-	-
(d) Banks - FI	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	34,39,114	-	34,39,114	24.09	34,39,114	-	34,39,114	24.09	-
Total Shareholding of Promoters and Promoter Group (A) = (A)(1)+ (A)(2)	66,21,189	-	66,21,189	46.38	66,21,189	-	66,21,189	46.38	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	17,95,362	-	17,95,362	12.57	16,97,400	-	16,97,400	11.89	(0.69)
(b) Banks - FI	2,981	1,195	4,176	0.03	4,779	1,195	5,974	0.04	0.01
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	6,79,573	-	6,79,573	4.76	6,79,573	-	6,79,573	4.76	0.00
(g) FIs	34,569	-	34,569	0.24	43,753	-	43,753	0.31	0.06
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)	1,75,684	-	1,75,684	1.23	2,10,200	-	2,10,200	1.47	0.24
Sub-total (B)(1):-	26,88,169	1,195	26,89,364	18.84	26,35,705	1,195	26,36,900	18.47	(0.37)
1. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	8,67,774	2,585	8,70,359	6.10	8,13,777	2,838	8,16,615	5.72	(0.38)
(ii) Overseas	5,41,125	-	5,41,125	3.79	5,41,125	-	5,41,125	3.79	(0.00)
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	17,51,536	1,60,462	19,11,998	13.39	18,90,326	1,48,948	20,39,274	14.28	0.89
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	13,89,842	20,400	14,10,242	9.88	13,27,292	20,400	13,47,692	9.44	(0.44)
(c) Others (specify)									
Non Resident Indians	1,41,735	1,938	1,43,673	1.01	1,77,988	1,908	1,79,896	1.26	0.25
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	750	-	750	0.01	750	-	750	0.01	0.01
Clearing Members	9,260	-	9,260	0.06	13,709	-	13,709	0.10	0.03
Trusts	215	453	668	0.00	-	-	-	0.00	0.00
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Rane Holdings Limited - Unclaimed Shares Suspense Account	41,950	-	41,950	0.29	37,306	-	37,306	0.26	(0.03)
Investor Education and Protection Fund Authority (Ministry of Corporate Affairs)	37,231	-	37,231	0.26	43,353	-	43,353	0.30	0.04
Sub-total (B)(2):-	47,81,418	1,85,838	49,67,256	34.79	48,45,626	1,74,094	50,19,720	35.16	0.37
Total Public Shareholding (B) = (B)(1)+ (B)(2)	74,69,587	1,87,033	76,56,620	53.63	74,81,331	1,75,289	76,56,620	53.63	0.00
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	1,40,90,776	1,87,033	1,42,77,809	100.00	1,41,02,520	1,75,289	1,42,77,809	100.00	0.00

% rounded-off to the nearest decimal

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	At the beginning of the year			At the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged - encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged - encumbered to total shares	
1	Ganesh L & Meenakshi Ganesh	7,12,196	4.99	-	7,12,196	4.99	-	-
2	Raman T G G	14,84,056	10.39	-	14,84,056	10.39	-	-
3	Lakshman L & Pushpa Lakshman	6,62,940	4.64	-	6,62,940	4.64	-	-
4	Rathika R Sundaresan	6,25,066	4.38	-	6,25,066	4.38	-	-
5	Geetha Raman Subramanyam	6,25,065	4.38	-	6,25,065	4.38	-	-
6	Ranjini R Iyer	6,25,065	4.38	-	6,25,065	4.38	-	-
7	Meenakshi Ganesh & L Ganesh	3,05,430	2.14	-	3,05,430	2.14	-	-
8	Vanaja Aghoram	2,75,635	1.93	-	2,75,635	1.93	-	-
9	L Lakshman (HUF)	2,16,986	1.52	-	2,16,986	1.52	-	-
10	Pushpa Lakshman & L Lakshman	1,95,199	1.37	-	1,95,199	1.37	-	-
11	Ganesh L (HUF)	1,91,907	1.34	-	1,91,907	1.34	-	-
12	Shanthi Narayan	1,40,924	0.99	-	1,40,924	0.99	-	-
13	Harish Lakshman	1,24,817	0.87	-	1,24,817	0.87	-	-
14	Aditya Ganesh	1,14,281	0.80	-	1,14,281	0.80	-	-
15	Vinay Lakshman	1,06,698	0.75	-	1,06,698	0.75	-	-
16	Aparna Ganesh	68,511	0.48	-	68,511	0.48	-	-
17	Rama R Krishnan	61,452	0.43	-	61,452	0.43	-	-
18	Lakshman L	39,620	0.28	-	39,620	0.28	-	-
19	Malavika Lakshman	18,657	0.13	-	18,657	0.13	-	-
20	Rekha Sundar	15,610	0.11	-	15,610	0.11	-	-
21	Chitra Sundaresan	8,109	0.06	-	8,109	0.06	-	-
22	Suchitra Narayan	-	-	-	-	-	-	-
23	Pravin Kumar	2,800	0.02	-	2,800	0.02	-	-
24	Sumant Narayan	-	-	-	-	-	-	-
25	Keshav Harish Lakshman	100	0.00	-	100	0.00	-	-
26	Malavika Lakshman & Harish Lakshman	65	0.00	-	65	0.00	-	-
	Total	66,21,689	46.38	-	66,21,189	46.38	-	-

% rounded-off to the nearest decimal

iii) Change in Promoters' Shareholding:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	66,21,689	46.37	66,21,689	46.37
Date wise increase in promoters' shareholdings during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity, etc.): No change				
At the end of the year	66,21,689	46.37	66,21,689	46.37

% rounded-off to the nearest decimal

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
1	Sundaram Mutual Fund A/C	718940	5.04	-	-	-	-	-	-
				06-09-2019	(2065)	(0.01)	Transfer	716875	5.02
				13-09-2019	(7026)	(0.05)	Transfer	709849	4.97
				20-09-2019	(12832)	(0.09)	Transfer	697017	4.88
				04-10-2019	(3356)	(0.02)	Transfer	693661	4.86
				29-11-2019	19338	0.14	Purchase	712999	4.99
				13-12-2019	(401)	0.00	Transfer	712598	4.99
				06-03-2020	(295)	0.00	Transfer	712303	4.99
				20-03-2020	1000	0.01	Purchase	713303	5.00
2	Nisshinbo Holdings Inc.	541125	3.79	-	-	-	-	541125	3.79
3	United India Insurance Company Ltd	431396	3.02	-	-	-	-	431396	3.02
4	L&T Mutual Fund Trustee Ltd	415018	2.91	-	-	-	-	-	-
				23-04-2019	(548)	0.00	Transfer	414470	2.90
				24-05-2019	(4363)	(0.03)	Transfer	410107	2.87
				31-12-2019	(23899)	(0.17)	Transfer	386208	2.71
				24-01-2020	(21307)	(0.15)	Transfer	364901	2.56
				31-01-2020	(288)	0.00	Transfer	364613	2.55
				06-03-2020	(4828)	(0.03)	Transfer	359785	2.52
5	UTI	396617	2.78	-	-	-	-	-	-
				29-11-2019	(5000)	(0.35)	Transfer	346617	2.43
				13-12-2019	(2420)	(0.02)	Transfer	344197	2.41
				20-12-2019	(986)	(0.01)	Transfer	343211	2.40
				27-12-2019	(7537)	(0.05)	Transfer	335674	2.35
				31-12-2019	(14423)	(0.10)	Transfer	321251	2.25
				17-01-2020	(47594)	(0.33)	Transfer	273657	1.92
				31-01-2020	(94)	0.00	Transfer	273563	1.92
				20-03-2020	2000	0.01	Purchase	275563	1.93

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD-MM-YYYY)	Increase / Decrease in shareholding	% of total shares of the company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company					No. of shares	% of total shares of the company
6	Enam Securities Pvt Ltd	361541	2.53	-	-	-	-	361541	2.53
7	Aditya Birla Sun Life Trustee Private Ltd	264787	1.86	-	-	-	-	-	-
				26-07-2019	14400	0.10	Purchase	279187	1.96
				17-01-2020	51411	0.36	Purchase	330598	2.32
				24-01-2020	22486	0.16	Purchase	353084	2.47
				14-02-2020	(482)	0.00	(Transfer)	352602	2.47
				21-02-2020	(12432)	(0.09)	(Transfer)	340170	2.38
				28-02-2020	8579	0.06	Purchase	348749	2.44
8	General Insurance Corporation of India	218623	1.53	-	-	-	-	218623	1.53
9	Kumari Investment Corporation Private Ltd	147050	1.03	-	-	-	-	147050	1.03
10	Sundaram Alternative Opportunities Fund	132460	0.93	-	-	-	-	-	-
				29-11-2019	21500	0.15	Purchase	153960	1.08
				17-01-2020	1842	0.01	Purchase	155802	1.09
				31-01-2020	1590	0.01	Purchase	157392	1.10

% rounded-off to the nearest decimal

v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	24,49,160	17.15	24,49,160	17.15
Ganesh L & Meenakshi Ganesh	10,17,626	7.13	10,17,626	7.13
Lakshman L & Pushpa Lakshman	8,97,759	6.29	8,97,759	6.29
Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Harish Lakshman & Malavika Lakshman	65	0.00	65	0.00
Ganesh L (HUF)	1,91,907	1.34	1,91,907	1.34
Lakshman L (HUF)	2,16,986	1.52	2,16,986	1.52
Date wise Increase / Decrease in directors and key managerial personnel during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): No change				
At the end of the year	24,49,160	17.15	24,49,160	17.15
Ganesh L & Meenakshi Ganesh	10,17,626	7.13	10,17,626	7.13
Lakshman L & Pushpa Lakshman	8,97,759	6.29	8,97,759	6.29
Harish Lakshman	1,24,817	0.87	1,24,817	0.87
Harish Lakshman & Malavika Lakshman	65	0.00	65	0.00
Ganesh L (HUF)	1,91,907	1.34	1,91,907	1.34
Lakshman L (HUF)	2,16,986	1.52	2,16,986	1.52

% rounded-off to the nearest decimal

Note: None of the other Directors and Key Managerial Personnel holds any shares in the Company

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

Particulars	Secured Loans Excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,97,16,414	-	-	18,97,16,414
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24,87,850	-	-	24,87,850
Total (i+ii+iii)	19,22,04,264	-	-	19,22,04,264
Change in Indebtedness during the financial year				
Addition	24,42,83,039	-	-	24,42,83,039
Reduction	10,48,94,646	-	-	10,48,94,646
Net Change	13,93,88,393	-	-	13,93,88,393
Indebtedness at the end of the financial year				
i) Principal Amount	32,97,37,589	-	-	32,97,37,589
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18,55,068	-	-	18,55,068
Total (i+ii+iii)	33,15,92,657	-	-	33,15,92,657

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director / Whole Time Director and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Chairman & Managing Director	Vice-Chairman & Joint Managing Director	Total
		Mr. L Ganesh	Mr. Harish Lakshman	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,37,21,720	-	1,37,21,720
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	54,26,334	38,10,477	92,36,811
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	1,19,00,000	-	1,19,00,000
5	Others - sitting fee paid till August 01, 2019	-	60,000	60,000
Total (A)		3,10,48,054	38,70,477	3,49,18,531
* Ceiling as per the Act (being 10% of Net Profit calculated as per Section 198 of Companies Act, 2013) - 5,95,50,378				

* the ceiling as per the Act does not include sitting fee payable by the Company

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors							Total
		Mr. L Lakshman	Mr. Rajeev Gupta	Dr. V Sumantran	Mr. Anjanikumar Choudhari	Mr. Pradip Kumar Bishoi	Dr. (Ms) Sheela Bhide		
1	Independent Directors								
(a)	Fee for attending Board / Committee meetings	-	1,65,000	2,80,000	75,000	1,65,000	2,60,000	9,45,000	
(b)	Commission	-	-	-	-	-	-	-	
(c)	Others, please specify	-	-	-	-	-	-	-	
	Total (1)	-	1,65,000	2,80,000	75,000	1,65,000	2,60,000	9,45,000	
2	Other Non - Executive Directors								
(a)	Fee for attending Board / Committee meetings	2,30,000	-	-	-	-	-	2,30,000	
(b)	Commission	1,00,00,000	-	-	-	-	-	1,00,00,000	
(c)	Others, please specify (Perquisites)	39,600	-	-	-	-	-	39,600	
	Total (2)	1,02,69,600	-	-	-	-	-	1,02,69,600	
	Grand Total B (1+2)	1,02,69,600	1,65,000	2,80,000	75,000	1,65,000	2,60,000	1,12,14,600	
	Grand Total (A+B)							4,61,33,131	
	Overall ceiling as per the Act* (being 11% of Net Profit calculated as per Section 198 of Companies Act, 2013)							6,55,05,415	

* The ceiling as per the Act does not include sitting fee payable by the Company

Note:

1. Advisory fees of ₹1 crore paid to Mr. L Lakshman, Chairman Emeritus is not included above
2. Pradip Kumar Bishoi appointed as an Independent Director with effect from August 08, 2019
3. Anjani Kumar Choudhari ceased to be an Independent Director with effect from May 27, 2019

C. Remuneration to other Directors/ Key Managerial Personnel other than MD/ Manager /WTD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Mr. J Ananth	Mr. Siva Chandrasekaran	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	44,04,943	55,78,774	99,83,717
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	85,315	1,60,164	2,45,479
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (C)	44,90,258	57,38,938	1,02,29,196

VII. Penalties / Punishment/ Compounding of Offences

There were no penalties, punishment or compounding of offences during the year ended March 31, 2020.

For and on behalf of the Board

Ganesh Lakshminarayan

Chairman and
Managing Director
DIN: 00012583

Harish Lakshman

Vice-Chairman and
Joint Managing Director
DIN: 00012602

Chennai
June 24, 2020

Annexure - F to the Report of the Board of Directors

FORM NO. AOC -2

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

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

There were no contracts or arrangements or transactions entered during the year ended March 31, 2020, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at arm's length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr. L Lakshman, Chairman Emeritus
b)	Nature of contracts/arrangements/ transaction	Advisory services agreement
c)	Duration of the contracts/ arrangements/transaction	4 years (with effect from April 1, 2017 to March 31, 2021)
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Advisory services: Guidance and mentorship to the RHL executive management and advisory support in initiatives of strategic importance to Rane Group's future growth plans, as may be decided from time to time.
e)	Date of approval by the Board	Approval(s) for payment of advisory services to Mr. L Lakshman have been secured in terms of Section 177, 188, 197 & other applicable of the Companies Act, 2013 including rules, as detailed below: <ul style="list-style-type: none"> - Nomination and Remuneration Committee, Audit Committee and Board of Directors at their respective meetings held on March 31, 2017; and - Members of the Company vide postal ballot dated May 11, 2017 In addition to the approval already obtained from members by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder, pursuant to the provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), the Board has recommended to the shareholders for approval the payment of Commission and Advisory Fee to Mr. L Lakshman for the year 2020-21.
f)	Amount paid as advances, if any	-

For and on behalf of the Board

Ganesh Lakshminarayan
 Chairman and
 Managing Director
 DIN: 00012583

Harish Lakshman
 Vice-Chairman and
 Joint Managing Director
 DIN: 00012602

Chennai
 June 24, 2020

Annexure - G to the Report of the Board of Directors

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI LODR Regulations, 2015]

Section A: General information about the Company

1.	Corporate Identity Number (CIN) of the Company:	L35999TN1936PLC002202
2.	Name of the Company	Rane Holdings Limited
3.	Registered address:	"Maithri", No.132, Cathedral Road, Chennai - 600 086 Phone: 044 - 2811 2472; Fax: 044 - 2811 2449
4.	Website:	www.ranegroup.com
5.	e-mail ID:	investorservices@ranegroup.com
6.	Financial Year reported:	FY 2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	77400- Trademark fees 64200- Dividend income 62020- Information technology support service 70200- Management consultancy service
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):	Rane Holdings Limited (RHL) being the holding Company of Rane Group is engaged in three main-stream of activities viz., holding strategic investments, licensing trademark and providing services to the Rane Group Companies Investments: RHL holds strategic investments in the Rane Group Companies Trademark: RHL owns 'Rane' trademark and licences usage of the same by Rane Group Companies Service: RHL provides a range of services to Rane Group Companies like employee training and development, investor services, business development and Information systems support
9.	Total number of locations where business activity is undertaken by the Company: Provide details of major a) Number of International Locations b) Number of National Locations	The total number of locations where business activities undertaken by the Company - 29 nos. a) International locations - 4 nos. b) National locations - 25 nos.
10.	Markets served by the Company - Local/State/National/International	The Rane Group Companies serves Local/State/National/International Markets

Section B: Financial details of the Company

- Paid-up Capital: ₹14,27,78,090/-
- Total Turnover: ₹97,77,67,729/-
- Total profit after taxes: ₹50,82,13,861/-
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2.26%
- List of activities in which expenditure in 4 above has been incurred:

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

Section C: Other details

- Does the Company have any Subsidiary Company/ Companies?

Yes. The Company has 4 domestic subsidiaries, 4 wholly owned overseas subsidiaries including step down subsidiaries, 2 joint venture Companies (Collectively referred to as 'Rane Group of Companies')
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

Yes. Business Responsibility initiatives of RHL (being the Parent Company) are generally pursued across by manufacturing Companies of the Rane Group viz., 3 domestic subsidiaries and 2 joint venture Companies.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

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

b) Details of the BR head:

Sl. No.	Particulars	Details
1.	DIN	00012583
2.	Name	Mr.Ganesh Lakshminarayan
3.	Designation	Chairman and Managing Director
4.	Telephone number	044-28112472
5.	e-mail ID	l.ganesh@ranegroup.com

Section D: BR information

1. Details of Director/Directors responsible for BR

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

DIN	Name	Designation
00012583	Mr. Ganesh Lakshminarayan	Chairman and Managing Director

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

a) Details of compliance (Y/N)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Do you have a policy/ policies for the principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online?	http://ranegroup.com/rane-holdings-limited-investors/#policies								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

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

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
The Company has not understood the Principles									
The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The Company does not have financial or manpower resources available for the task									
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

Not Applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months / 3-6 months / Annually / more than 1 year.

On an annual basis the Company assesses the BR Report / performance

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The BR Report is published as part of this annual report and the same is available on the Company's website at www.ranegroup.com

During the FY 2019-20, the Company has received 4 complaints from investors and the same was duly resolved. There are no investor complaints pending unresolved at the end of the financial year. The complaints primarily related to non-receipt of annual reports and communications through specific mode, etc. The Stakeholders Relationship Committee (SRC) oversees the complaints and their resolution.

Principle 2: Product Responsibility [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

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

The Rane Group Companies incorporates innovative designs for its products with an imperative to protect environment, conserve natural resources for achieving sustainable economic growth. These high value designs are co-developed with our customers to enable light weighting, enhance fuel efficiency and use of environmentally friendly material

- Environment Friendly (EF) Grade - Copper Free Passenger car Brake Pad developed - A & B Segment Cars
- Light weighting of Steering Products
- Enhanced fuel efficiency using Valve train components

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

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

Section E: Principle wise performance

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

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

Yes. The Code of Conduct (Rane Compass) applies across the Group to its employees and Directors and also extends to our suppliers and partners. Rane Compass complies with all the statutory and legal requirements of the applicable laws and regulations including anti bribery and anti-corruption laws.

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

The Rane Group Companies constantly work on projects to reduce the resource (energy, water, raw material, etc.) consumption. Some examples include:

- Reduction of the usage of energy by way of identifying energy efficient operations, energy efficient machines, usage of LED lights, use of VFD drives on motors etc.,
- Use of Renewable energy power (Wind & Solar)
- Returnable packaging is used extensively to conserve resources on distribution

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

Similarly, the Companies in the Rane Group builds products that help consumers conserve on the resources and environment. Some examples include:

- Copper free brake pads provide environment friendly products to the customer
- Light weighting is done on continuous basis on steering products. Reduced 10% of weight on the steering gear supplied to passenger vehicles through efficient design and process on the steering rack & ball joints resulting in enhanced fuel efficiency of vehicles
- The valve train components are designed along with customers in India and globally for better fuel efficiency and emission compliance.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's supplier selection, assessment and evaluation process includes elements of Sustainability. This includes initial supplier survey, continuous risk assessments and audits. Also, there is communication to suppliers on the Company's sustainability requirements. The Rane Group Companies has an environment policy and safety policy. Rane Group Companies encourages the vendors to ensure compliance with these policies. It covers various issues like health of workers and safety measures.

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

The Rane Group Companies have taken adequate steps to procure goods from local and small vendors. The steps taken to improve the capability and capacity of local vendors include:

- Imparting training and supporting the suppliers for developing Quality Management Systems

for improving the product quality, reducing the wastages and sustainable development

- Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability
- Communicating on periodic basis and creating joint action plans to meet the requirements
- Ensuring statutory compliance including non-deployment of child labour in the factory premises

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

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

- Companies sends 100% of machined boring scrap and heavy melting scrap for recycling. Aluminium boring scrap are re-melted and used into making of Ingots. End bits arising out of random length tubes and bars are converted into base raw material for another product
- Continuous actions are in place to reduce the material content on the product by way of weight reduction activities (as part of VA/VE)
- Used inserts are recycled and used as prime material for pre machining of products
- Reusable Pallets and biodegradable material used for packing
- Recycled water from sewage treatment plant is used for maintenance of greenery in the Plant
- Implemented rain water harvesting in the plants

Principle 3: Well being of Employees [Businesses should promote the wellbeing of all employees]

1. Total number of employees: 97
2. Total number of employees hired on temporary/contractual/casual basis: 53
3. Number of permanent women employees: 19
4. Number of permanent employees with disabilities: 0
5. Do you have an employee association that is recognized by management: Not applicable
6. What percentage of your permanent employees is members of this recognized employee association? - Not applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

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

- a) Permanent Employees - 100%
- b) Permanent Women Employees- 100%
- c) Casual/Temporary/Contractual Employees - 100%
- d) Employees with Disabilities - NA

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

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

- 1. Has the Company mapped its internal and external stakeholders? Yes/No: Yes
- 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders: Yes
- 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so

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

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

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

Yes. The Rane Compass (which is Rane’s Policy on Ethical Standards and Behaviour), Rane Whistle Blower Policy and Rane Policy on Prevention of Sexual Harassment of Women at Work Place cover various aspects of human rights and extend to all Rane Group Companies.

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

During the FY 2019-20, the Company has not received any complaints under the vigil mechanisms of the Company reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. The Company also has not received any instances / complaints to report under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

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

The policy covers all Rane Group Companies with intent to help integrate sustainability aspects in the business strategies, its decisions and key work processes. The Company operations should not adversely affect the future of the society and its ecological balance

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

Yes, the Company makes efforts to address global environmental issues such as reducing carbon foot print and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc.

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

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

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

The Rane Group Companies continues to work towards development and implementation of climate change

mitigation project mainly through energy saving projects, water saving, waste reduction & CO₂ reduction under sustainability development. However, it does not have any registration for CDM projects

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

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

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

6. Are the Emissions/ waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions / waste generated by the group Companies' plants are within the permissible limits as prescribed by CPCB/SPCB and compliance reports are submitted on periodical basis.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

The Company has not received any show cause / legal notices from CPCB / SPCB as on end of financial year

Principle 7: Public Policy [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
- a) Indo- American Chamber of Commerce
 - b) Automotive Component Manufacturers Association of India (ACMA)
 - c) Confederation of Indian Industry (CII)
 - d) Madras Chamber of Commerce and Industry (MCCI)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Y/No; if Yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy

security, Water, Food Security, Sustainable Business Principles, Others)

Yes, representations have been made to chambers and associations connected the group's business on various matters for improvement of regulatory policies to build a better, competitive and sustainable business environment.

Principle 8: CSR [Businesses should support inclusive growth and equitable development]

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? Y/N. If Yes, details thereof

Yes. The Rane Group of Companies primarily channelize their CSR initiatives through Rane Foundation. Through Rane Foundation the Company has established Rane Polytechnic at Trichy. The institution offers quality technical education and sustainable development to the rural youth. Rane Foundation is also setting up Rane Vidyalaya at Trichy. The school aims to provide a conducive learning environment to children and will develop qualified teachers and staff.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ Government structures/any other organization?

The projects are undertaken primarily through Rane Foundation. However, the Company also undertakes projects on its own as well as working in partnership with specialist organisations.

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

Rane group Companies have financially supported the various CSR initiatives of Rane Foundation. The Rane Polytechnic, established at Trichy in the year 2011, under the aegis of Rane Foundation has stepped into its ninth academic year. The institution was accredited by the National Board of Accreditation (NBA) for its Diploma in Mechanical Engineering program in 2017 and re-accredited for 3 years till 2022 in 2019-20. Over the last few batches, 1284 students have completed their diploma program, of which, 212 students will complete the program in the last academic year. Over 90% of the students were placed through campus interview. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation embarked on its next major project, opening of a school named 'Rane Vidyalaya' in Trichy in June 2018. Rane Vidyalaya is recognised by Directorate of School Education, Tamilnadu and is affiliated to the Central Board of Secondary Education, New Delhi. In 2019-20, it operated with a student strength of 235, in standards Kindergarten to V.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

Please refer the section on CSR activities of the annual report for further details

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

Please refer to CSR report for further details

Principle 9: Customer Relations [Businesses should engage with and provide value to their customers and consumers in a responsible manner]

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Companies in Rane Group has a robust system for addressing customer complaints. The complaints received are analysed, appropriate countermeasure is presented to customers and implemented and effectiveness is monitored. There were no pending customer complaint resolution during the financial year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information)

The Rane Group's products are predominantly supplied to OEM as per their requirements. The product requirements are displayed as per the requirements

of OEMs and consistent with applicable laws. For the aftermarket segment, the product details are mentioned as per rules made under Legal Metrology Act, 2009.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as at the end of the financial year. If so, provide details thereof, in about 50 words or so

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations. The Company obtains the customer feedback by engaging a third party agency to conduct surveys with key stakeholders in the customer organisation. The Company constantly communicates with customers and uses the data posted on the customer portal on a monthly / quarterly basis to evaluate the performance and take remedial actions. Customer Satisfaction trends are compiled, monitored and reviewed by top management on a periodic basis and also action plans are discussed with customers.

INDEPENDENT AUDITOR'S REPORT

To The Members of Rane Holdings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Rane Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 (ICAI)

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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to Note 6.3 to the standalone financial statements which fully describes the management's assessment of impairment of the investment, loans and other financial assets in an operating step down subsidiary, by one of the Company's subsidiary, which has taken into consideration the adverse business impact and uncertainties arising from the COVID 19 pandemic. As stated in the said note, such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor Response
1	<p>Impairment Assessment of investments of the Company in two of its subsidiaries and investments, loans and other financial assets in one of its step down subsidiary (either directly or through intermediate subsidiary)</p> <p>a. The total carrying value of investments of the Company in two of its subsidiaries, aggregated to Rs. 12,392 Lakhs as at March 31, 2020. Refer Note 6.4 to the Standalone Financial Statements.</p> <p>Due to the significant losses incurred by the said subsidiaries, the management has carried out an impairment assessment of these investments.</p> <p>b. The total financial exposure of one of the Company's subsidiary included its investment in an operating step down subsidiary represented by investments in equity shares, loans and other financial assets (either directly or through intermediate subsidiary) aggregating to ₹ 15,566 lakhs as at March 31, 2020. Refer Note 6.3 to the Standalone Financial Statements.</p> <p>Due to the significant losses incurred by the said step down subsidiary, the management has carried out an impairment assessment of these assets.</p> <p>Impairment of investment in the said subsidiaries/step-down subsidiaries have been identified as a key audit matter due to:</p> <ul style="list-style-type: none"> • The significance of the carrying value of the investments being assessed; and • The assessment of the carrying value of the Investments involves assumptions and exercising significant judgements in estimating the recoverable value of the investment in step down subsidiary, including taking into account the possible effect of the pandemic relating to COVID-19. Any adverse changes to these assumptions could result in lower recoverable value than the carrying amount. 	<p>Principal audit procedures performed:</p> <p>a. a. Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which inter-alia includes the completeness and accuracy of the input data considered, reasonableness of the assumptions considered in determining the present value of future cash flows.</p> <p>b. Obtained the business projections of the subsidiaries/step down subsidiaries (prepared by the Management) and performed the following procedures:</p> <p>i. Conducted inquiries with the Company/ Subsidiary personnel to identify if factors that, in our professional judgement, should be taken into account in the impairment analysis, were considered by the Management.</p> <p>ii. Compared the actual revenues and cash flows generated by the said subsidiaries/step-down subsidiaries during the year with the plan and estimates considered in the previous year</p> <p>iii. Verified if the cash flow projections of the subsidiaries considered for the assessment of impairment were as per cash flow projections reviewed and approved by the Board of Directors of the Company.</p> <p>iv. Evaluated the Management's future cash flow projections, with regard to the appropriateness of key assumptions considered, including discount rate, growth rate, sensitivity analysis of the key assumptions etc. duly considering the impact of the COVID-19 pandemic. This included involvement of internal fair valuation specialists to review discount rate and model etc. for two of the subsidiary/step-down subsidiary.</p> <p>v. Inquired the auditors of the subsidiaries and step down subsidiary with respect to the appropriateness of the cash flow projections considered and impact of COVID-19 pandemic thereon.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report and Annexures to the Directors report, but does not include the consolidated financial statements, 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 during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Responsibility 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, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 statement 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility 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 financial 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 the 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 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.

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 standalone 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 standalone 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 Section 143(3) of the Act, based on our audit 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.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) 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 remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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, as amended 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 standalone financial statements -;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)
(Membership No. 209252)
(UDIN: 20209252AAAAGA1876)

Place: Chennai
Date: June 24, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

Report on the Internal Financial Controls Over Financial Reporting 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 Holdings Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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, to the best of our information and according to the explanations given to us, 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, 2020, based on the criteria for internal financial control over financial reporting 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 **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)

Place: Chennai
Date: June 24, 2020

(Membership No. 209252)
(UDIN: 20209252AAAAGA1876)

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph (2) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
- (b) The company has a program of verification of property, plant and equipment to cover all the items in a phased manner over a period of two years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / court order approving scheme of arrangement / amalgamation provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- Immovable properties of land whose title deed have been pledged with the lender as security for term loan, are held in the name of the Company based on the Mortgage deed executed between the lender and the Company for which confirmations have been obtained from the lender.
- In respect of immovable properties of land and building that have been taken on lease and disclosed as right of use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The company does not have inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business/ activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income tax, Service Tax and Customs Duty which have not been deposited as on March 31, 2020 on account of disputes are given below.

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which amount relates	Amount involved (₹ Lakhs)	Amount unpaid (₹ Lakhs)
Income Tax Act, 1961	Income Tax	Various forums -A.O, CIT (A), ITAT	2005-06,	1,088	794
			2008-09,		
			2009-10,		
			2011-12 to 2015-16		
Customs Act, 1962	Custom Duty	Customs, Excise & Service Tax Appellate Tribunal	2012-13	6	6

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and has not taken any loans from government.
- (ix) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained. The Company has not raised moneys by way of initial public offer or further public offer.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)

(Membership No. 209252)
(UDIN: 20209252AAAAGA1876)

Place: Chennai
Date: June 24, 2020

BALANCE SHEET

AS AT 31 MARCH 2020

₹ Lakhs

S. No.	Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
A.	ASSETS			
	Non-Current Assets			
	a. Property, Plant and Equipment	3	10,231	8,729
	b. Right-of-use assets	4	230	-
	c. Capital Work-in-Progress	3	7	961
	d. Other Intangible Assets	5	26	35
	e. Financial Assets			
	i. Investments	6	36,900	33,592
	ii. Other Financial assets	7	7	4
	f. Other Non-Current Assets	8	6	347
	g. Tax assets (Net of provision)	9	915	815
	h. Deferred tax assets (Net)	10	-	17
	Total Non-Current Assets		48,322	44,500
	Current Assets			
	a. Financial Assets			
	i. Investments	11	416	155
	ii. Trade Receivables	12	938	1,178
	iii. Cash and Cash Equivalents	13.a.	118	24
	iv. Bank balances other than (iii) above	13.b.	52	47
	v. Loans	14	3	2
	vi. Other Financial assets	7	5	8
	b. Other Current Assets	15	382	220
	Total Current Assets		1,914	1,634
	TOTAL ASSETS		50,236	46,134
B.	EQUITY AND LIABILITIES			
	Equity			
	a. Equity Share Capital	16	1,428	1,428
	b. Other Equity	17	44,524	41,673
	Total Equity		45,952	43,101
	Liabilities			
	Non-Current Liabilities			
	a. Financial Liabilities			
	i. Borrowings	18	2,033	1,399
	ii. Other financial Liabilities	19	149	-
	b. Deferred tax liabilities (Net)	10	6	-
	Total Non-Current Liabilities		2,188	1,399
	Current Liabilities			
	a. Financial Liabilities			
	i. Trade Payables			
	a. Total outstanding dues of micro enterprises and small enterprises	20	-	-
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	20	104	206
	ii. Other financial Liabilities	21	1,674	1,116
	b. Provisions	22	174	146
	c. Other Current Liabilities	23	144	166
	Total Current Liabilities		2,096	1,634
	Total Liabilities		4,284	3,033
	TOTAL EQUITY AND LIABILITIES		50,236	46,134

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the board

Ananthi Amarnath
Partner

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and
Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

S. No.	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from Operations	24	9,731	11,595
II	Other Income	25	47	1,254
III	Total Income (I+II)		9,778	12,849
IV	Expenses:			
	Employee benefits expense	26	1,512	1,488
	Finance costs	27	217	234
	Depreciation and amortisation expense	28	321	113
	Other expenses	29	2,024	2,265
	Total Expenses (IV)		4,074	4,100
V	Profit before tax (III-IV)		5,704	8,749
VI	Tax Expense:			
	(1) Current Tax	30	619	1,124
	(2) Deferred Tax	30	3	(11)
	Total tax expense (VI)		622	1,113
VII	Profit for the year (V - VI)		5,082	7,636
VIII	Other Comprehensive Income			
	i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(55)	(13)
	b) Equity instruments through other comprehensive income		391	63
	ii) Income tax relating to items that will not be reclassified to profit or loss		(53)	3
	Total other comprehensive income		283	53
IX	Total Comprehensive Income for the period (VII+VIII)		5,365	7,689
X	Earnings Per Equity Share			
	(a) Basic (In ₹)	35	36	53
	(b) Diluted (In ₹)	35	36	53

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the board

Ananthi Amarnath
Partner

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and
Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

A. Equity Share Capital

Particulars	₹ Lakhs
	Amount
Balance as at 31 March 2018	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2019	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2020	1,428

B. Other Equity

Particulars	Reserves and Surplus			Retained Earnings	Total Other Equity
	Capital Redemption Reserve	Securities premium reserve	General Reserve		
Balance as at 31 March 2018	550	4,433	26,034	5,724	36,741
Profit for the year	-	-	-	7,636	7,636
Other comprehensive income for the year (Net of tax)					
i) Items that will not be reclassified to profit or loss					
a. Remeasurement gain or (loss) on defined benefit plans	-	-	-	(13)	(13)
b. Fair value gain or (loss) of equity instruments through other comprehensive income	-	-	-	63	63
ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	3	3
Payment of dividend	-	-	-	(2,427)	(2,427)
Tax on dividend	-	-	-	(330)	(330)
Transfer from retained earnings to reserves	-	-	1,687	(1,687)	-
Balance as at 31 March 2019	550	4,433	27,721	8,969	41,673
Profit for the year	-	-	-	5,082	5,082
Other comprehensive income for the year (Net of tax)					
i) Items that will not be reclassified to profit or loss					
a. Remeasurement gain or (loss) on defined benefit plans	-	-	-	(55)	(55)
b. Fair value gain or (loss) of equity instruments through other comprehensive income	-	-	-	391	391
ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	(53)	(53)
Payment of dividend	-	-	-	(2,142)	(2,142)
Tax on dividend	-	-	-	(372)	(372)
Transfer from retained earnings to reserves	-	-	3,805	(3,805)	-
Balance as at 31 March 2020	550	4,433	31,526	8,015	44,524

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the board

Ananthi Amarnath
Partner

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and
Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit for the year	5,082	7,636
Adjustments for:		
Income Tax expense recognised in P&L	622	1,113
Depreciation and amortisation of non-current assets	321	113
Finance costs	217	234
Dividend Income from Current Investments	(46)	(70)
Gain on disposal of Investment in Joint Venture	-	(1,164)
Movements in working capital:		
(Increase)/decrease in trade or other receivables	241	13
(Increase)/decrease in short-term loans	(1)	4
(Increase)/decrease in long-term loans	-	1
(Increase)/decrease in other long term financial assets	(4)	-
(Increase)/decrease in other short term financial assets	3	(1)
(Increase)/decrease in other current assets	(167)	(20)
Increase/(decrease) in trade payables	(101)	73
Increase/(decrease) in financial liabilities	82	126
Increase/(decrease) in provisions	28	3
Increase/(decrease) in other liabilities	(77)	39
Cash generated from operations	6,200	8,100
Income taxes paid	(753)	(1,204)
Net cash generated from operations	5,447	6,896
Cash flows from investing activities		
Proceeds on sale of financial assets - investment in Joint Venture	-	1,200
(Placements)/Proceeds from sale of Current Investments	(261)	637
Dividend Income from Current Investments	46	70
Payments for property, plant, equipment & intangible assets	(884)	(763)
Purchase of long term investments	(2,917)	(4,112)
Net cash used in investing activities	(4,016)	(2,968)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

Particulars	₹ Lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from financing activities		
Repayment of borrowings	(1,045)	(1,591)
Availment of borrowings	2,445	650
Dividends paid on equity shares	(2,142)	(2,427)
Tax on dividend	(372)	(330)
Interest paid	(223)	(255)
Net cash used in financing activities	(1,337)	(3,953)
Net increase / (decrease) in Cash and cash equivalents	94	(25)
Cash and cash equivalents at the beginning of the year	24	49
Cash and cash equivalents at the end of the year (refer note 13.a.)	118	24

See accompanying notes forming part of the financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner

Place: Chennai
Date: 24 June 2020

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

J Ananth
Chief Financial Officer

For and on behalf of the board

Ganesh Lakshminarayan
Chairman and
Managing Director
DIN: 00012583

Siva Chandrasekaran
Secretary

NOTES FORMING PART OF FINANCIAL STATEMENT

Corporate Information, Significant Accounting Policies and Significant Accounting Judgements, Estimates and Assumptions

1 Corporate Information

Rane Holdings Limited ("RHL" or "the Company") is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Rane Group's investment profile includes subsidiaries and joint ventures. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure. The Company is a public limited Company incorporated 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.

2 Significant Accounting Policies

2.1 Statement of Compliance

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

Except for the changes below, the Company has consistently applied accounting policies to all periods.

- (i) Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 resulting in recognition of right of use assets and measured the lease liabilities at an equal amount as on the date of transition and hence no impact to reserves. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2020.

- (ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

- (iii) On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

- (iv) On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1 April 2019. The Company has evaluated the effect of this amendment on the financial

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statements and concluded that this amendment is currently not applicable.

2.2 Basis of preparation

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.

Historical cost is generally based on the fair value of the consideration given in exchange for services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
2. Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 inputs are unobservable inputs for the asset or liability

2.3 Property, Plant and Equipment and Intangible assets

2.3.1 Property, Plant and Equipment

Land and buildings held for use in providing services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold land is not depreciated.

Properties in the course of providing of services or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes

professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

2.3.2 Estimated useful lives of the assets are as follows:

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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.

Asset	Useful lives (in years)
Buildings	30
Vehicles	5
Furniture and Fittings	5
Office Equipment	3

Assets costing less than ₹ 10,000 each are fully depreciated in the year of acquisition.

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.

2.3.3 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

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

recoverable from the tax 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.

Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

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 or loss when the asset is derecognised.

Estimated useful life of the intangible assets are as follows:

License Fee on Software - 3 Years or license period whichever is lower

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Assets costing less than ₹ 10,000 each are fully depreciated in the year of acquisition.

2.4 Leases:

The Company's lease asset classes primarily consist of leases for IT Assets and vehicles. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i)

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

'At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. 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.

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Transition

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 resulting in recognition of right of use assets for an amount of ₹ 379 Lakhs and measured the lease liabilities at an equal amount as on the date of transition and hence no impact to reserves. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been restated.

Under Ind AS 17

In the comparative period, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.5 Foreign Currencies:

2.5.1 Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the company's functional and presentation currency.

2.5.2 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.

2.5.3 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 recognised in the Statement of Profit and Loss.

2.6 Provisions and contingencies

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

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

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.

Contingent liability is disclosed in the notes for (i) possible obligation which will be confirmed only by future events not wholly within the control of the company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognized nor disclosed in the financial statements.

2.7 Operating Cycle

Based on the nature of activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current set out in the Schedule III to the Companies Act, 2013 and Ind AS 1.

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2.8 Revenue recognition

2.8.1 Service Fee and Trade Mark Fee

The Company derives revenues primarily from management and information technology services to the subsidiaries and joint ventures and from Trade Mark fee in accordance with the terms of the agreements with the Group entities. Revenue is recognised upon rendering of services and measured based on the consideration specified in contracts.

2.8.2 Dividend Income

Dividend income is accounted for when the right to receive it is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

2.9 Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1. Current tax

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

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments

in subsidiaries and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

2.10 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

2.10.1 Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans.

The Company contributes to a government administered provident fund on behalf of its employees, which are charged to the Statement of Profit and Loss. The Company has no obligations for future provident fund/superannuation fund benefits other than its monthly contributions.

Fixed contributions to the Superannuation Fund, which is administered by Company nominated trustees and managed by Life Insurance Corporation of India, are charged to the Statement of Profit and Loss.

2.10.2 Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Notes forming part of the financial statements

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2.10.3 Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur."

2.10.4 Defined benefit costs are categorized as follows:

1. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. Net interest expense or income; and
3. Re-measurement
 - a. The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.
 - b. Past service cost is recognised in profit or loss in the period of a plan amendment.
 - c. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
 - d. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

2.10.5 Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.11 Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

2.12 Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand.

2.12.1 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and 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.

2.13 Impairment of Assets:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted

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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 asset for which the estimates of future cash flows have not been adjusted."

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.14 Segment Reporting:

The Company holds strategic investments in subsidiaries and joint ventures (collectively called "the Group") that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group. Further the Company does not have any operations outside India. As such there are no separate reportable segments as per Ind AS 108' "Segment Reporting".

2.15 2.15.1 Critical accounting judgements

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The 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.

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.

2.15.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other 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.

2.15.2.1 Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

2.15.2.2 Employee Benefits

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 34.

2.15.2.3 Taxation:

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Company determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available.

2.16 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 account.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

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Initial Recognition

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit and loss.

Subsequent Measurement

1. Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Classification of financial assets

The Company classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

b) those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

a. Amortised Cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on these assets that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

b. Fair value through other comprehensive income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value

through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expense).

c. Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

(i) Impairment of financial assets

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

For trade receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(ii) Derecognition of financial assets

A financial asset is derecognised only when the company has transferred the rights to receive cash flows from the financial asset. Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

2. Financial liabilities and equity instruments

Equity and Debt instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

All financial liabilities are subsequently measured at amortised cost using the effective interest rate method or at FVTPL.

(a) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments

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issued by the Company are recognised at the proceeds received, net of direct issue costs.

(b) Financial liabilities at amortised cost

Financial liabilities that are not held-for-trading and are not designated at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

(c) Financial liabilities at FVTPL

Liabilities that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on these assets that is subsequently measured at fair value through profit or loss is recognised in the statement of profit and loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Property, Plant and Equipment and Capital Work-in-progress		
Particulars		
Carrying amounts of:		
a. Freehold land	7,942	7,942
b. Buildings	1,825	693
c. Plant and Machinery	20	3
d. Furniture and Fixtures	218	8
e. Office Equipments	77	29
f. Electrical Equipments	132	25
g. Vehicles	17	29
	10,231	8,729
Capital Work-in-progress	7	961

Particulars	₹ Lakhs										Total	
	Freehold land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Electrical Equipments	Vehicles					
Cost or deemed cost												
Balance as at 31 March 2018	7,942	819	6	85	60	57	52					9,021
Additions	-	-	-	3	25	-	6					34
Disposals	-	-	-	(2)	-	-	-					(2)
Balance as at 31 March 2019	7,942	819	6	86	85	57	58					9,053
Additions		1,197	18	241	77	118	-					1,651
Disposals				(14)								(14)
Balance as at 31 March 2020	7,942	2,016	24	313	162	175	58					10,690
Particulars												
Accumulated depreciation and impairment												
Balance as at 31 March 2018	-	84	2	69	35	27	18					235
Depreciation expense	-	42	1	11	21	5	11					91
Disposals / adjustments	-	-	-	(2)	-	-	-					(2)
Balance as at 31 March 2019	-	126	3	78	56	32	29					324
Depreciation expense		65	1	31	29	11	12					149
Disposals / adjustments				(14)								(14)
Balance as at 31 March 2020	-	191	4	95	85	43	41					459
Carrying amount as at 31 March 2019	7,942	693	3	8	29	25	29					8,729
Carrying amount as at 31 March 2020	7,942	1,825	20	218	77	132	17					10,231

Note:

- All the land and buildings held by the company as on 31 March 2020 are free of lien except land mortgaged for loan availed from Tata Capital Financial Services Limited & Federal Bank Limited (refer note 18 "Borrowings")
- Movable fixed assets are mortgaged for working capital facility with Citi Bank N.A.

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4 Right-of-use assets

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Right-of-use assets	230	-
	230	-

₹ Lakhs

Particulars	Office Equipment	Vehicles	Total
Cost or deemed cost			
Balance as at 31 March 2019	-	-	-
Recognition of right of use assets on account of transition to IndAS 116	212	167	379
Disposals	-	-	-
Balance as at 31 March 2020	212	167	379

₹ Lakhs

Particulars	Office Equipment	Vehicles	Total
Accumulated amortisation			
Balance as at 31 March 2019	-	-	-
Amortisation expense	102	47	149
Disposals	-	-	-
Balance as at 31 March 2020	102	47	149

Carrying amount as at 31 March 2019	-	-	-
Carrying amount as at 31 March 2020	110	120	230

Effective 01 April 2019, the company has adopted Ind AS 116 "Leases" applied to all lease contracts existing as on 01 April 2019 using modified retrospective method which has resulted in recognition of Right-of-Use assets and liabilities of ₹ 379.19 Lakhs.

5 Intangible Assets

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Software Licence	26	35
	26	35

₹ Lakhs

Particulars	Software Licence
Cost or deemed cost	
Balance as at 31 March 2018	75
Additions	16
Disposals	-
Balance as at 31 March 2019	91
Additions	14
Disposals	-
Balance as at 31 March 2020	105

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

₹ Lakhs

Particulars	Software Licence
Accumulated amortisation and impairment	
Balance as at 31 March 2018	34
Amortisation expense	22
Disposals	
Balance as at 31 March 2019	56
Amortisation expense	23
Disposals	
Balance as at 31 March 2020	79
Carrying amount as at 31 March 2019	35
Carrying amount as at 31 March 2020	26

6 Non-Current Investments

₹ Lakhs

Particulars	Face Value per share	As at 31 March 2020		As at 31 March 2019	
		No. of Shares	Amount	No. of Shares	Amount
I. Quoted Investments					
a. Investments in Equity Instruments at Cost					
i. Subsidiary Companies					
Rane (Madras) Limited (refer note 6.1.1)	10	7,961,398	16,269	7,380,678	14,602
Rane Engine Valve Limited (refer note 6.4)	10	3,683,054	9,480	3,683,054	9,480
Rane Brake Lining Limited (refer note 6.1.2 & 6.2)	10	3,687,440	1,838	3,667,181	1,708
Total Quoted Investments			27,587		25,790
II. Unquoted Investments					
a. Investments in Equity Instruments at Cost					
i. Subsidiary Companies					
Rane Holdings America Inc.	\$ 1	20,000	10	20,000	10
Rane Holdings Europe GmbH	€1	25,000	19	25,000	19
Rane t4u Private Limited					
a. Equity Investment (refer note 6.1.3 & 6.4)	10	1,167,000	127	1,157,000	126
b. Compulsory Convertible Preference Shares (refer note 6.1.4)	10	27,850,000	2,785	24,350,000	2,435
ii. Joint Venture Companies		-	-	-	-
Rane TRW Steering Systems Private Limited	10	4,369,123	2,332	4,369,123	2,332
Rane NSK Steering Systems Private Limited	10	8,771,000	1,012	8,771,000	1,012
b. Investments in Equity (designated as FVTOCI)					
Autotech Fund I, L.P (refer note 6.1.5)		-	2,195	-	1,868
Wellington Corporate Foundation	10	60	-	60	-
III. Share Warrants					
Rane (Madras) Limited (refer note 6.1.1)			833	-	-
Total Unquoted Investments			9,313		7,802
Total Non-Current Investments			36,900		33,592
Aggregate book value of quoted investments			27,587		25,790
Aggregate market value of quoted investments			29,165		65,617
Aggregate carrying value of unquoted investments			9,313		7,802
Aggregate amount of impairment in value of investments			-		-

Note:

6.1.1 Rane (Madras) Limited, subsidiary company (RML), allotted on a preferential basis to the Company, 17,42,160 Share warrants at a price of ₹ 287/- each compulsorily convertible into 17,42,160 equity shares of ₹ 10 each upon

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

payment of the total consideration of ₹ 5,000 lakhs in one or more tranches. The company has paid 25% of the above issue price amounting to ₹ 1,250 lakhs during Dec'19. During Mar'20, the company has paid further amount of ₹ 1,250 lakhs towards first tranche to exercise conversion of 580,720 warrants into equivalent equity shares and was allotted 580,720 Equity Shares of ₹ 10/- each at ₹ 215.63 per share and balance amount of ₹ 833 Lakhs retained towards subscription for share warrants.

- 6.1.2 The Company has acquired 20,259 equity shares of Rane Brake Lining Limited (RBL), a subsidiary company at prevailing market prices aggregating to ₹ 130 Lakhs through the stock market.
- 6.1.3 The company has acquired 10,000 equity shares of Rane t4u Pvt. Ltd (Rt4u), a subsidiary company, from Karnataka Information Technology Venture Capital Fund - 2 at the face value of ₹ 10/- per share with the total purchase consideration of ₹ 1 lakh. Post acquisition, the company holds 70% in equity share capital of Rt4u.
- 6.1.4 The Company has invested an aggregate sum of ₹ 350 lakhs (₹ 585 lakhs) in the preferential allotment of Compulsorily Convertible Preference Shares issued by Rt4u.
- 6.1.5 The Company has invested an aggregate sum of ₹ 2,195 Lakhs (USD 34,00,000) in AutoTech Fund I, L. P (AutoTech) towards its share of capital contribution as one of the Limited Partners in the Fund. During the current financial year, the company has received an amount of ₹ 553 Lakhs (USD 777,747) from AutoTech towards its share of distribution proceeds from the sale proceeds realized through sale of investments held by Autotech in some of the portfolio companies. The equivalent cost of the above sale proceeds amounting to ₹ 423 Lakhs (USD 594,724) has been reduced from the cost of investments.
- 6.2 RBL is a Board controlled subsidiary of the company as the company has the right to appoint majority of the Board of Directors of RBL.
- 6.3 The Subsidiary company RML carried out the valuation of the investments made in its step down subsidiary company to assess the possibility of impairment by estimating the future cash flow projections based on the most recent long term forecast and considering the likely impact due to Covid-19 and accordingly provided for impairment amounting to ₹ 3758 Lakhs as against its total financial exposure of ₹ 15,566 Lakhs represented by investments in equity shares, loans and other financial assets as at March 31, 2020 in its Standalone financial statements. The valuation is dependent on the step-down subsidiary successfully securing new businesses and is also subject to fluctuations in the market demand and recovery of automotive industry post Covid-19 situation
- 6.4 The company carried out an impairment assessment of the investments held in two of its subsidiary companies aggregating to ₹ 12,392 Lakhs by estimating the future cash flow projections based on the most recent long term forecast and concluded that there was no impairment. The estimation of future cash flow projections is based on management's assessment of uncertainties arising due to COVID-19 pandemic to the extent known.

7 Other Financial Assets

₹ Lakhs

Particulars	Non-current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
a. Security Deposits	4	4	-	-
b. Claims receivables	3	-	-	-
c. Rent Advance	-	-	5	6
d. Fixed deposits against Bank Guarantee	-	-	-	2
	7	4	5	8

8 Other Non-Current Assets

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Advance	6	347
	6	347

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

9 Non-current tax assets (Net)

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Advance payment of tax and Tax Deducted at Source (Net of Provision)	915	815
	915	815

10. Deferred tax assets/ (liabilities) (Net)

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

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
a. Deferred tax assets	47	47
b. Deferred tax liabilities	(53)	(30)
Deferred Tax assets / (liabilities)	(6)	17

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
For the year period ended 31 March 2020				
Deferred tax Assets				
a. Provision for leave salary	43	1	-	44
b. Provision for Bonus	4	(1)	-	3
	47	0	-	47
Deferred tax liabilities				
a. Property plant and equipment and Intangible assets	(30)	(3)	-	(33)
b. Fair valuation on Equity instruments through other comprehensive income	-	-	(20)	(20)
Total Deferred Tax through P&L	(30)	(3)	(20)	(53)
Net Deferred Tax Assets/ (Liabilities)	17	(3)	(20)	(6)

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Closing balance
For the year period ended 31 March 2019				
Deferred tax Assets				
a. Provision for leave salary	38	5	-	43
b. Provision for Bonus	4	0	-	4
	42	5	-	47
Deferred tax liabilities				
a. Property plant and equipment and Intangible assets	(36)	6	-	(30)
b. Fair valuation on Equity instruments through other comprehensive income	(3)	-	3	-
Total Deferred Tax through P&L	(39)	6	3	(30)
Net Deferred Tax Assets/ (Liabilities)	3	11	3	17

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

11. Current Investments

₹ Lakhs

Particulars	Current					
	As at 31 March 2020			As at 31 March 2019		
	NAV per Unit in ₹	Quantity	Amount	NAV per Unit in ₹	Quantity	Amount
Unquoted Investments						
Investment in Mutual Fund - (Measured at FVTPL)						
- Aditya Birla Sun Life Liquid Fund - Growth	317.75	82,051	261	299.01	25,113	75
- Nippon India Liquid Fund - Growth	4,822.51	3,224	155	-	-	-
- Reliance Liquid Fund - Growth	-	-	-	4,539.21	1,765	80
Total Unquoted Investments			416			155

12. Trade Receivables

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
a. Receivable considered good - Secured	-	-
b. Receivable considered good - Unsecured		
i. Related parties(refer note 38)	938	1,177
ii. Others	-	1
	938	1,178

Note:

The company's receivables are predominantly from its subsidiary companies and joint venture companies. The company had not experienced doubtful debts in earlier years, therefore there is no credit risk and thus no provision for doubtful debts are made.

13.a. Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
a. Balances with banks (including deposits with original maturity upto 3 months)		
i) Current account	117	23
b. Cash on hand	1	1
	118	24

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

13.b. Bank balances other than above

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
a. Earmarked balances		
Unclaimed Dividend account	52	47
	52	47

14. Loans Receivables

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Loan to Employees	3	2
	3	2

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

15 Other Current Assets		₹ Lakhs	
Particulars	As at 31 March 2020	As at 31 March 2019	
a. Prepaid Expenses	206	210	
b. Advance to suppliers	11	10	
c. Others	165	-	
	382	220	

16 SHARE CAPITAL		₹ Lakhs	
Particulars	As at 31 March 2020	As at 31 March 2019	
a. Authorised Share Capital :			
Equity Shares:			
1,50,00,000 Equity Shares of ₹ 10 each	1,500	1,500	
Preference Shares:			
50,00,000 Shares 13.5% Cumulative Redeemable Preference Shares of ₹ 10 each	500	500	
b. Issued Share Capital:			
1,42,77,809 Equity Shares of ₹ 10 each	1,428	1,428	
c. Subscribed Share Capital:			
1,42,77,809 Equity Shares of ₹ 10 each fully paid-up	1,428	1,428	
	1,428	1,428	

16.1 Reconciliation of number of shares		₹ Lakhs			
Particulars	2019-20		2018-19		
	Number of shares	Amount	Number of shares	Amount	
Equity Shares of ₹ 10 each fully paid up					
At the beginning of the period	1,42,77,809	1,428	1,42,77,809	1,428	
Add/Less movement during the year	-	-	-	-	
At the end of the period	1,42,77,809	1,428	1,42,77,809	1,428	

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

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

Class of Shares / Name of the Share holder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Fully paid up equity shares				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Sundaram Mutual Fund A/c Sundaram Smile Fund	7,13,303	5.00%	7,18,940	5.04%

17. Other Equity		₹ Lakhs	
Particulars	As at 31 March 2020	As at 31 March 2019	
a. General Reserve	31,526	27,721	
b. Securities Premium reserve	4,433	4,433	
c. Capital redemption reserve	550	550	
d. Retained Earnings	8,015	8,969	
	44,524	41,673	

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

a. General Reserve

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
General Reserve		
Balance at the beginning of the year	27,721	26,034
Add :Addition during the year	3,805	1,687
Balance at the end of the year	31,526	27,721

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. Securities Premium Account

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Securities Premium Account	4,433	4,433
	4,433	4,433

Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

c. Capital Redemption Reserve

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Capital Redemption Reserve	550	550
	550	550

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.

d. Retained Earnings

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	8,969	5,724
Profit attributable to the owners of the company	5,082	7,636
Other comprehensive income - Items that will not be reclassified to profit or loss	283	53
Payment of dividends on Equity shares (including tax on dividend)	(2,514)	(2,757)
Transfer to General Reserve	(3,805)	(1,687)
Balance at the end of the year	8,015	8,969

On February 10, 2020, an interim dividend of ₹ 4 per share (total dividend ₹ 571 Lakhs) was paid to the holders of fully paid equity shares.

In respect of the year ended March 31, 2020, the directors propose that a dividend of ₹ 4 per share 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 ₹ 571 Lakhs.

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

18 Borrowings

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Non - current		
Secured		
Term Loan	3,297	1,897
Less: Current maturities of long term debt	(1,264)	(498)
	2,033	1,399

Loan	₹ Lakhs		Details
	As at 31 March 2020	As at 31 March 2019	
1. Term loan from Tata Capital Financial Services Limited [TCFSL] on 06 September 2017 (Loan 1)	250	1,247	During the year ended 31 March 2020, the company made a prepayment of ₹ 500 Lakhs in addition to regular repayment installments amount of ₹ 500 Lakhs. Repayable in 16 equal quarterly Instalments commencing from June, 2018 with 12 months of moratorium period
Less: Current maturities of long term debt	(250)	(498)	
Total	-	749	
2. Term loan from Tata Capital Financial Services Limited [TCFSL] on 19 December 2019 (Loan 2)	1,455	-	During the year ended 31 March 2020, the company has availed the Term loan of ₹1,500 Lakhs from Tata Capital Financial Services Limited and made a repayment of ₹ 45 Lakhs. Repayable in 11 equal quarterly Instalments commencing from Jan, 2020.
Less: Current maturities of long term debt	(582)	-	
Total	873	-	
3. Term from Federal Bank Limited (Loan 1)	922	650	During the year ended 31 March 2020, the company has availed Term loan of ₹ 272 Lakhs in multiple tranches from Federal Bank Limited. Repayable in 16 equal quarterly Instalments commencing from June,2020 with 12 months of moratorium period
Less: Current maturities of long term debt	(231)	-	
Total	691	650	
4. Term from Federal Bank Limited (Loan 2)	671	-	During the year ended 31 March 2020, the company has availed the Term loan of ₹ 671 Lakhs in multiple tranches from Federal Bank Limited. Repayable in 16 equal quarterly Instalments commencing from September, 2020 with 12 months of moratorium period
Less: Current maturities of long term debt	(202)	-	
Total	469	-	

As at 31 March 2020, the interest rate range from 7.22% p.a to 10.75% p.a

- The term loans outstanding as at 31 March 2020 which are availed from Tata Capital Financial Services Limited and Federal Bank Limited are secured by a charge created on the company's land located at Chittaranjan Road, Chennai on Pari-passu basis.
- The company is having working capital credit facility of ₹ 500 Lakhs with Citi Bank, N.A by hypothecating current assets and movable fixed assets. There is no outstanding balance as on 31 March 2020 and 31 March 2019.

Notes forming part of the financial statements

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3. The Company has opted to avail the moratorium announced by RBI vide notification dated March 27, 2020 as part of COVID-19 regulatory package consequent to which Term Loan principal repayment for loans availed from Tata Capital Financial Services Limited were extended by two months.

Breach of Loan Agreement

There is no breach of loan agreements with Banks.

19. Other financial Liabilities

₹ Lakhs

Particulars	As at	
	31 March 2020	31 March 2019
Non - current		
Lease Liability	227	-
Less: Current maturities of long term debt	(78)	-
	149	-

20. Trade payables

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	104	206
	104	206

Based on, and to the extent of information received from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), and relied upon by the auditors there are no dues as at 31 March 2020 and 31 March 2019.

The company has financial risk management policies in place to ensure that all payables are generally paid within the agreed credit terms.

21. Other Financial liabilities

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
a. Current maturities of long term debt	1,264	498
b. Interest accrued but not due on borrowings	19	25
c. Unclaimed dividends	52	47
d. Employee related payables	195	289
e. Capital creditors	7	196
f. Lease liability - current	78	-
g. Others (refer note 21.1 below)	59	61
	1,674	1,116

- 21.1 Others include an accrued amount of ₹ 59 Lakhs in the earlier years towards arrears of lease rent for the land taken under lease which had been surrendered during 2008-09.

22. Provisions

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
a. Provision for leave encashment (refer note 34)	174	146
	174	146

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

23. Other current liabilities

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
a. Statutory remittances	120	138
b. Provision for Gratuity (refer note 34)	24	28
	144	166

24. Revenue from operations

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a. Dividend Income	3,338	4,605
b. Other Operating Income		
i. Service Fee	3,264	3,146
ii. Trade Mark Fee	3,129	3,844
	9,731	11,595

Note:

- The disaggregated revenues from contracts with customers by offerings are as per the table above.
- The table below presents disaggregated revenues from contracts with customers which is recognised based on services rendered by geography.

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue by Geography		
1. India	9,703	11,570
2. Outside India	28	25
Total revenue from contracts with customers	9,731	11,595

As per the management, the above disaggregation best depicts the nature, amount, timing and uncertainty of how revenues and cash flows are affected by industry, market and other economic factors.

24.1 Trade Receivables

The Company classifies the right to consideration in exchange for services/ deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related services are rendered to the customer.

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

24.2 Transaction price allocated to the remaining performance obligation

Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material basis.

Notes forming part of the financial statements

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25. Other Income		₹ Lakhs	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019	
a. Mutual Fund Income	46	70	
b. Other Non-operating income	1	17	
c. Net gain on foreign currency transactions	-	3	
d. Profit on sale of Investments	-	1,164	
	47	1,254	
26. Employee benefit expense		₹ Lakhs	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019	
a. Salaries and wages including bonus	1,292	1,241	
b. Contribution to Provident and Other Funds	106	89	
c. Contribution to Gratuity (refer note 34)	6	23	
d. Contribution to Superannuation Fund	24	20	
e. Staff Welfare Expenses	84	115	
	1,512	1,488	
27. Finance Costs		₹ Lakhs	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019	
a. Interest costs:			
i. Interest on bank overdrafts and loans	190	234	
ii. Interest on lease liabilities	27	-	
	217	234	
28. Depreciation and Amortisation Expense		₹ Lakhs	
Particulars	Year ended 31 March 2020	Year ended 31 March 2019	
a. Depreciation on Property, plant and equipment pertaining to continuing operations (note 2.3.2)	149	91	
b. Amortisation of Intangible assets (note 2.3.3)	23	22	
c. Right-of-use assets (note 2.4)	149	-	
	321	113	

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

29. Other Expenses

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a. Power and Fuel	32	32
b. Rent expense	32	108
c. Travelling and Conveyance	199	121
d. Repairs and Maintenance		
- Buildings	74	115
- Others	36	38
e. Insurance	52	38
f. Rates and Taxes, excluding taxes on income	32	18
g. Auditors' Remuneration (Refer note-29.1)	32	28
h. Directors' Fees	12	13
i. Information Systems expenses	590	661
j. Professional Charges (Refer note 38)	480	578
k. Advertisement and Sales Promotion	27	48
l. Printing and Stationery	14	20
m. Postage and Telecom expenses	18	20
n. Donation (Refer note 36)	118	133
o. Chairman Emeritus & CMD Commission (Refer note 38)	219	257
p. Bank charges	-	1
q. Miscellaneous Expenses	57	36
	2,024	2,265

29.1. Payment to Auditors

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a) For audit	17	17
b) For taxation matters	1	1
c) For other services	14	10
	32	28

30. Tax Reconciliation:

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Income Tax		
In respect of current year	619	1,124
Income tax recognised in profit or loss	619	1,124
Deferred tax		
In respect of current year	3	(11)
Deferred tax recognised in profit or loss	3	(11)
	622	1,113

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

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

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax from continuing operations	5,704	8,749
Income Tax expense calculated at 25.1680% (2018-19: 29.120%)	1,436	2,548
Effect of income chargeable at special rates (Capital Gains)	-	(170)
Effect of income that is exempt from taxation:		
Dividend from subsidiaries, joint ventures, mutual funds	(840)	(1,352)
Effect of expenses that are added in determining taxable profit	26	87
Income Tax expense recognised in profit or loss	622	1,113

Income tax relating to other comprehensive income:

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Equity instruments through other comprehensive income		
i. Current Tax	(33)	3
ii. Deferred Tax	(20)	-
	(55)	3

- The company elected to exercise the option permitted under section 115BBA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognized provision for Income tax for the year ended March 31, 2020 and re-measured its deferred tax liabilities (Net) based on the rate prescribed in the said Ordinance. The full impact of this change has been recognized in the statement of profit and loss and other comprehensive income, for the year ended March 31, 2020.

31.1. Expenditure in Foreign Currency

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Professional and consultation fees	7	31
Travel	13	5
	20	36

31.2. Income in Foreign Currency

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Service Fee Income	28	38
	28	38

32. Remittance during the year of Dividends in Foreign Currency

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interim Dividend		
Number of Shareholders	1	1
Number of Shares held	541,125	541,125
Amount paid as Interim Dividend (₹ Lakhs)	22	43
Year for which dividend is remitted	2019-20	2018-19
Final Dividend		
Number of Shareholders	1	1
Number of Shares held	541,125	541,125
Amount paid as Final Dividend (₹ Lakhs)	60	49
Year for which dividend is remitted	2018-19	2017-18

Notes forming part of the financial statements

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33. Contingent Liabilities and Commitments

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
33.1 Contingent Liabilities to the extent not provided for		
Disputed demands under appeal (Refer below)	1,094	1,145
1. Income Tax Act	1,088	1,098
Less: Deposits made under protest	(294)	(294)
Net Amount	794	804
2. Service Tax		
Less: Deposits made under protest	-	41
Net Amount	-	39
3. Customs Duty	6	6
Future cash flows in respect of the above matters are determinable only on receipt of judgements/decisions pending at various forums/authorities.		
33.2 Commitments		
i. Estimated amount of contracts remaining to be executed on capital account and not provided for	15	260
ii. Uncalled liability on investment in Auto Tech I, L.P for USD 5 Million over 5 years	1,206	1,591
iii. Balance amount payable towards preferential allotment of shares warrants issued by RML	2,500	-

34. Employee Benefit Plans

A. Defined contribution plans

The major defined contribution plans operated by the Company are as below:

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.

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 ₹ 106 Lakhs (for the year ended 31 March 2019: ₹ 89 Lakhs) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at 31 March 2020, contributions of ₹ 24 Lakhs (as at March 31, 2019: ₹ 20 Lakhs) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

Notes forming part of the financial statements

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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 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 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, 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.

(a) Gratuity

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Components of employer expense		
Current service cost	29	24
Interest cost	33	29
Expected return on plan assets	(34)	(30)
Actuarial losses/(gains)	57	14
Total expense recognised in the Statement of Profit and Loss	85	37
Actual contribution and benefit payments for year		
Actual benefit payments	(6)	(17)
Actual contributions	87	9
Change in Defined Benefit Obligations (DBO) during the year		
Present value of DBO at beginning of the year	440	390
Current service cost	29	24
Interest cost	33	29
Actuarial (gains) / losses	56	14
Past service cost	-	-
Benefits paid	(6)	(17)
Present value of DBO at the end of the year	552	440
Change in fair value of assets during the year		
Plan assets at beginning of the year	412	390
Expected return on plan assets	34	30
Actual company contributions	87	9
Actuarial gain / (loss)	1	-
Benefits paid	(6)	(17)
Plan assets at the end of the year	528	412

Notes forming part of the financial statements

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Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	552	440
Fair value of plan assets	528	412
Funded status [Surplus / (Deficit)]	24	28
Unrecognised past service costs	-	-
Net liability recognised in the Balance Sheet	24	28
Actuarial assumptions		
Discount rate	6.64%	7.58%
Expected return on plan assets	6.64%	7.58%
Salary escalation	8.00%	8.00%
Attrition	2.00%	3.00%
Experience Adjustments		
Present Value of Obligation	552	440
Plan Assets	528	412
Surplus / (Deficit)	24	28
Experience Adjustments on Plan liabilities- (loss)/gain	(56)	(14)
Experience Adjustments on Plan assets- (loss)/gain	1	-
Enterprises' best estimate of contribution during the next year	(24)	(28)
Actual Return on Plan Assets		
Expected return on plan assets	34	30
Actuarial gain (loss) on plan assets	1	-
Actual return on plan assets	35	30

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). The data on Plan Assets has not been furnished by LIC.
- (iv) Experience adjustments has been disclosed based on the information available in the actuarial valuation report.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses 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	31 March 2020	31 March 2019
A. Discount Rate + 50 BP	7.14%	8.08%
Defined Benefit Obligation [PVO]	538	430
Current Service Cost	35	28
B. Discount Rate - 50 BP	6.14%	7.08%
Defined Benefit Obligation [PVO]	567	450
Current Service Cost	38	30
C. Salary Escalation Rate +50 BP	8.50%	8.50%
Defined Benefit Obligation [PVO]	567	450
Current Service Cost	38	30
D. Salary Escalation Rate -50 BP	7.50%	7.50%
Defined Benefit Obligation [PVO]	538	430
Current Service Cost	35	28

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.

Notes forming part of the financial statements

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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 5.7 years (2019 - 5.0 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	₹ Lakhs	
	31 March 2020	31 March 2019
Year 1	261	232
Year 2	56	51
Year 3	44	7
Year 4	13	41
Year 5	7	10
Next 5 Years	125	94

(b) Compensated absences

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

The amount of provision of ₹174 Lakhs (March 31, 2019 - ₹ 146 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial assumptions for long-term compensated absences		
Discount rate	6.64%	7.58%
Salary escalation	8.00%	8.00%
Attrition	2.00%	3.00%

Notes

- 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.
- The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

35. Earnings per share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
a. Basic Earning per share (₹)	36	53
b. Diluted Earnings per share (₹)	36	53
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earning per share (₹ Lakhs)	5,082	7,636
Weighted average number of equity shares for the purpose of calculating basic earning per share and diluted earning per share (No. of shares)	14,277,809	14,277,809

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

36. Amount Spent on CSR Activities :

- i. Gross amount required to be spent by the company during the year is ₹115 Lakhs (₹93.07 Lakhs)
- ii. Amount spent during the year on revenue expenditure is ₹ 115 Lakhs (₹ 123.00 Lakhs)

37 Leases

A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2020:

Particulars	₹ Lakhs
	As at 31 March 2020
Current lease liabilities	78
Non-current lease liabilities	149
Total	227

B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	₹ Lakhs
	As at 31 March 2020
Balance as on 1st April 2019	-
Reclassified on account of adoption of IND AS 116	-
Additions	379
Finance costs accrued during the period	27
Deletions	-
Payment of Lease liabilities	(179)
Balance as on 31st March 2020	227

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	₹ Lakhs
	As at 31 March 2020
Less than one year	113
One to five years	165
More than five years	-
Total	278

D. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows.

Particulars	₹ Lakhs
	As at 31 March 2020
Decrease in Property, Plant and equipment by	-
Increase in lease liability by	379
Increase in right of use assets by	379
Increase/(Decrease) in Deferred tax assets by	-
Increase/(Decrease) in finance cost by	27
Increase/(Decrease) in depreciation by	149
Balance as on 31st March 2020	227

Notes forming part of the financial statements

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E. Amounts recognized in profit or loss

₹ Lakhs

Particulars	Year ended 31 March 2020
Interest on lease liabilities	27
Variable lease payments not included in the lease payment liabilities	-
Income from sub-leasing right of use assets	-
Expenses relating to short- term leases	22
Expenses relating to leases of low- value assets,excluding short term leases of low value assets.	-

F. Amounts recognized/disclosed in Cash flow statement

₹ Lakhs

Particulars	Year ended 31 March 2020
Total cash outflows for leases	179

Notes forming part of the financial statements

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38. Related Party Disclosures	Description of relationship	Name of the related Party 2019-20	Name of the related Party 2018-19
(a) List of related parties where control exists	Subsidiaries	Rane (Madras) Limited	Rane (Madras) Limited
		Rane Engine Valve Limited	Rane Engine Valve Limited
		Rane Brake Lining Limited	Rane Brake Lining Limited
		Rane Holdings America Inc.	Rane Holdings America Inc.
		Rane (Madras) International Holdings B.V (RMIH)	Rane (Madras) International Holdings B.V (RMIH)
		Rane Light Metal Castings Inc (Formerly known as Rane Precision Diecasting Inc. (RPDC))	Rane Light Metal Castings Inc (Formerly known as Rane Precision Diecasting Inc. (RPDC))
		Rane Holdings Europe GmbH	Rane Holdings Europe GmbH
		Rane t4u Pvt Ltd	Rane t4u Pvt Ltd
	Joint ventures	Rane TRW Steering Systems Private Limited	Rane TRW Steering Systems Private Limited
		Rane NSK Steering Systems Private Limited	Rane NSK Steering Systems Private Limited
			JMA Rane Marketing Limited
			(Ceased to be in Joint Venture from 14 November 2018)
(b) Other Related parties where transactions has taken place	Key Management Personnel (KMP)	Mr. L Ganesh	Mr. L Ganesh
		Mr. Harish Lakshman	Mr. Harish Lakshman
	Relative of KMP	Mr. L Lakshman	Mr. L Lakshman
	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
(c) Post employment benefit plans	Post employment benefit plans	Rane Holdings Limited Gratuity Fund	Rane Holdings Limited Gratuity Fund
		Rane Holdings Limited Senior Executives Superannuation Fund	Rane Holdings Limited Senior Executives Superannuation Fund

Notes forming part of the financial statements
 as at and for the year ended March 31, 2020

Details of Related Party transactions and balances :

Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Transaction during the year												
Fee for Services rendered												
Rane (Madras) Limited	869	828										
Rane Engine Valve Limited	417	426										
Rane Brake Lining Limited	423	407										
Rane Light Metal Castings America (LMCA)	34	25										
Rane TRW Steering Systems Private Limited			847	774								
Rane NSK Steering Systems Private Limited			674	686								
Trademark Fee												
Rane (Madras) Limited	508	645										
Rane Engine Valve Limited	174	206										
Rane Brake Lining Limited	243	269										
Rane TRW Steering Systems Private Limited			1066	1,326								
Rane NSK Steering Systems Private Limited			1139	1,398								
Dividend Received												
Rane (Madras) Limited	332	821										
Rane Brake Lining Limited	553	566										
Rane TRW Steering Systems Private Limited			961	1442								
Rane NSK Steering Systems Private Limited			1491	1754								
JMA Rane Marketing Limited				22								
Salary and Other Perquisites												
L Ganesh					164	154						
Commission												
L Ganesh					119	157						
L Lakshman							100	100				

Notes forming part of the financial statements

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Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Sitting Fees												
L Lakshman							2	2				
Harish Lakshman					1	2						
Advisory Fee												
L Lakshman							100	100				
Other Reimbursements												
Rane Engine Valve Limited	-	4										
Donation												
Rane Foundation									101	114		
Post Employment Benefit Plan												
Rane Holdings Limited Gratuity Fund											6	23
Rane Holdings Limited Senior Executives Superannuation Fund											24	20

Notes forming part of the financial statements
 as at and for the year ended March 31, 2020

₹ Lakhs

Breakup of related party balances as per party wise:

Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Payables												
Rane (Madras) Limited	72	31										
Rane Engine Valve Limited	34	24										
Rane Brake Lining Limited	33	23										
Rane Light Metal Castings America (LMCA)	-	1										
Rane TRW Steering Systems Private Limited			74	27								
Rane NSK Steering Systems Private Limited			56	18								
Commission												
L Ganesh					119	157						
L Lakshman							-					
Post Employment Benefit Plan												
Rane Holdings Limited Gratuity Fund										24	28	
Rane Holdings Limited Senior Executives Superannuation Fund										2	2	
Receivables												
Rane (Madras) Limited	266	238										
Rane Engine Valve Limited	288	195										
Rane Brake Lining Limited	67	86										
Rane Light Metal Castings America (LMCA)	28	15										
Rane TRW Steering Systems Private Limited	-	-	261	426								
Rane NSK Steering Systems Private Limited	-	-	297	342								

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

39. Financial Instruments

39.1 Capital management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The company is not subject to any externally imposed capital requirements.

The capital structure of the Company consists of net debt (borrowings offset by cash and bank balances as detailed in notes 18, 21 and 13.a) and total equity of the Company.

39.1.1 Gearing ratio

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

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Debt *	3,297	1,897
Cash and bank balances	(118)	(24)
Net debt	3,179	1,873
Total Equity**	45,952	43,101
Net debt to equity ratio (in times)	0.07	0.04

* Debt is defined as long-term and short-term borrowings

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

39.2 Categories of financial instruments

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Current Investment	416	155
Measured at amortised cost		
(a) Trade Receivables	938	1,178
(b) Cash and bank balances	170	71
(c) Loans Receivables	3	2
(d) Other financial assets	12	11
Measured at FVTOCI		
(a) Investments in equity instruments designated upon initial recognition	2,195	1,868
Financial liabilities		
Measured at amortised cost		
Borrowings	3,297	1,897
Trade Payables	104	206
Other Financial Liabilities	410	618

Note: Investment in subsidiaries and Joint Ventures of ₹ 33,872 Lakhs (₹ 31,724 Lakhs) is shown at cost in balance sheet as per the Ind AS 27 "Separate Financial Statements"

Notes forming part of the financial statements

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39.2.1 Fair value of financial assets measured at FVTPL and FVTOCI (Refer 39.2):

Particulars	₹ Lakhs		Fair Value Hierarchy (Level 1,2,3)	Valuation Technique
	As at 31 March 2020	As at 31 March 2019		
a. Mutual fund Investments (quoted)	416	155	1	Fair value is determined based on Net Assets Value published by respective funds
b. Investments in equity instruments designated upon initial recognition	2,195	1,868	3	Fair value is determined based on valuation report as per discounted cash flow method provided by external valuer

39.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk and liquidity risk.

39.4 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 prices.

The company is exposed to Equity Price risks arising from its Equity investments. However all the Equity investments in Group companies are strategic in nature and held for long term period rather than for trading purposes.

39.5 Foreign Currency risk management

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 currently does not hedge or use derivative financial instruments to mitigate foreign exchange related risk exposures.

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

Currency	USD in Lakhs	
	Assets as at 31 March 2020	Assets as at 31 March 2019
USD	28	27
Total	28	27

39.5.1 Foreign Currency sensitivity analysis

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. A positive number below indicates an increase in profit or equity where the rupee depreciates 5% against the relevant currency. For a 5% appreciation of the rupee against the relevant currency, there would be a comparable impact on the profit or equity.

Particulars	₹ Lakhs	
	Currency USD impact	Currency USD impact
	2019-2020	2018-2019
Impact on profit or loss for the year	107	94
Impact on total equity as at the end of the reporting period	80	67

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This is mainly attributable to the exposure outstanding on Foreign Currency receivables and investment in the Company at the end of the reporting period.

The Company's sensitivity to foreign currency has increased during the current year mainly due to new investment.

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.

39.6 Interest rate risk management

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.

39.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. The analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher/lower and all other variables were held constant, the company/s:

- Profit for the year ended March 31, 2020 would decrease/increase by ₹ 16.24 Lakhs (₹ 9.49 Lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings; and

The Company's sensitivity to interest rates has increased during the current year mainly due to the increase in variable rate borrowings.

39.7 Other price risks

The company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company doesn't actively trade these investments.

39.7.1 Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the fair value had been 5% higher/lower:

- Profit for the year ended March 31, 2020 would increase/decrease by ₹ 109.75 Lakhs (₹ 93.39 Lakhs) as a result of the changes in fair value of equity investments which have been irrevocably designated at FVTOCI

39.8 Credit risk management

Trade receivables consist of receivables from group companies. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

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39.9 Liquidity risk management

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

39.9.1 Liquidity and interest risk tables

The following tables detail the company's remaining contractual maturity for its non-derivative 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. The tables include 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 31 March 2020

Particulars	As at 31 March 2020		1-3 years	3 - 5 years	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year				
Borrowings	2,033	-	1,802	231	-	2,033
Interest on borrowings	19	19	-	-	-	19
Current Maturities of long term debt	1,264	1,264	-	-	-	1,264
Trade Payables	104	104	-	-	-	104
Other Financial Liabilities	392	392	-	-	-	392
Total	3,812	1,779	1,802	231	-	3,812

₹ Lakhs

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as on 31 March 2019 :

Particulars	As at 31 March 2020		1-3 years	3 - 5 years	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year				
Borrowings	1,399	-	1,075	324	-	1,399
Interest on borrowings	25	25	-	-	-	25
Current Maturities of long term debt	498	498	-	-	-	498
Trade Payables	206	206	-	-	-	206
Other Financial Liabilities	593	593	-	-	-	593
Total	2,721	1,322	1,075	324	-	2,721

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39.10 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	₹Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	938	938	1,178	1,178
- others	12	12	12	12
Total	950	950	1,190	1,190
Financial liabilities				
Financial liabilities held at amortised cost:				
Bank loans	2,033	2,033	1,399	1,399
Other Financial liability	149	149	-	-
Trade payables	104	104	206	206
Current maturities of long-term debt	1,264	1,264	498	498
Interest accrued but not due on borrowings	19	19	25	25
Unclaimed dividends	52	52	47	47
Employee related payables	195	195	289	289
Capital creditors	7	7	196	196
Lease Liability - Current	78	78	-	-
Others	59	59	61	61
Total	3,960	3,960	2,721	2,721

Fair value hierarchy Particulars	₹Lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Level 3	Total	Level 3	Total
Financial assets				
Financial assets at amortised cost:				
- Trade receivables	938	938	1,178	1,178
- others	12	12	12	12
Total	950	950	1,190	1,190
Financial liabilities				
Financial liabilities held at amortised cost:				
Bank loans	2,033	2,033	1,399	1,399
Other Financial liability	149	149	-	-
Trade payables	104	104	206	206
Current maturities of long-term debt	1,264	1,264	498	498
Interest accrued but not due on borrowings	19	19	25	25
Unclaimed dividends	52	52	47	47
Employee related payables	195	195	289	289
Capital creditors	7	7	196	196
Lease Liability - Current	78	78	-	-
Others	59	59	61	61
Total	3,960	3,960	2,721	2,721

Notes forming part of the financial statements

as at and for the year ended March 31, 2020

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

40. Events after reporting date

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of investments, loans, intangible assets, trade receivables, and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statement may differ from that estimated as at the date of approval of these financial statements dependent on circumstances that evolve in the future.

41. Segment Reporting

The Company holds strategic investments in subsidiaries and joint ventures (collectively called "the Group") that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group. Further the Company does not have any operations outside India. As such there are no separate reportable segments as per Ind AS 108' "Segment Reporting".

42. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 24 June 2020.

43. Previous year's figure

The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

Signature to Notes 1 to 43

For and on behalf of the board

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and
Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

INDEPENDENT AUDITOR'S REPORT

To The Members of Rane Holdings Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Rane Holdings Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group") which includes the Group's share of profit / loss in its joint ventures, which comprise the Consolidated Balance Sheet as at 31st March 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section below, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2020, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint ventures in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance

with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) and (b) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

- a. We draw attention to Note 5.1 to the Consolidated financial statements which fully describes the management's assessment of impairment of net assets in one of its operating step down subsidiary, which has taken into consideration the adverse business impact and uncertainties arising from COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.
- b. As reported by the other auditor of the component in their audit report, we draw attention to Note 42.1 to the financial statements, which describe the effects of the estimated warranty provision recorded towards expected claims with respect to certain lots of products sold by a joint venture.
- c. As reported by the other auditors of the component in their audit reports, we draw attention to Note 47 to the financial statements, which explains the uncertainties and the impact due to the COVID-19 pandemic situation on the Group's financial results as assessed by the management.

Our opinion is not modified in respect of the above matters.

Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor Response
1.	<p>Impairment Assessment of net assets of the Group in two of its subsidiaries and its step down subsidiary (through intermediate subsidiary)</p> <p>a. The total carrying value of net assets of the Group in two of its subsidiaries, aggregated to ₹ 11,962 Lakhs as at March 31, 2020. Refer Note 5.2 to the Consolidated Financial Statements.</p> <p>b. The total carrying value of net assets of the Group in one of its operating step down subsidiary (through intermediate subsidiary) aggregated to ₹ 2,095 Lakhs as at March 31, 2020. Refer Note 5.1 to the Consolidated Financial Statements.</p> <p>Due to the significant losses incurred by the said subsidiaries and step down subsidiary (through intermediate subsidiary), the management has carried out an impairment assessment of these net assets and has recognized an impairment loss of ₹ 196 Lakhs in the Consolidated financial statements.</p> <p>Impairment of net assets in the said subsidiaries/step-down subsidiary (through intermediate subsidiary) have been identified as a key audit matter due to:</p> <p>a. The significance of the carrying value of the net assets being assessed; and</p> <p>b. The assessment of the carrying value of the net assets involves assumptions and exercising significant judgements in estimating the recoverable value of the net assets in the said subsidiaries/step down subsidiary (through intermediate subsidiary), including taking into account the possible effect of the pandemic relating to COVID-19. Any adverse changes to these assumptions could result in lower recoverable value than the carrying amount.</p>	<p>Principal audit procedures performed:</p> <p>a. Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which inter-alia includes the completeness and accuracy of the input data considered, reasonableness of the assumptions considered in determining the present value of future cash flows.</p> <p>b. Obtained the business projections of the said subsidiaries/ step down subsidiary (prepared by the Management) and performed the following procedures:</p> <p>i. Conducted inquiries with the Parent/ Subsidiary personnel to identify if factors that, in our professional judgement, should be taken into account in the analysis were considered.</p> <p>ii. Compared the actual revenues and cash flows generated by the said subsidiaries and step down subsidiary during the year with the plan and estimates considered in the previous year</p> <p>iii. Verified if the cash flow projections of the said subsidiaries and step down subsidiary considered for the assessment of impairment were as per cash flow projections reviewed and approved by the Board of Directors of the Parent.</p> <p>iv. Evaluated the Management's future cash flow projections, with regard to the appropriateness of key assumptions considered, including discount rate, growth rate, sensitivity analysis of the key assumptions etc. duly considering the impact of the COVID-19 pandemic. This included involvement of internal fair valuation specialists to review discount rate and model etc. for two of the subsidiary/step-down subsidiary.</p> <p>v. Inquired the auditors of the said subsidiaries and step down subsidiary with respect to the appropriateness of the cash flow projections considered and impact of COVID-19 pandemic thereon.</p>

2	<p>Deferred Tax Assets recognised in its subsidiary</p> <p>The key audit matter provided below is as communicated by the Other Auditors :</p> <p>The subsidiary company has recognised deferred tax assets on deductible temporary differences, unused tax losses (unabsorbed depreciation) and for unused tax credits (MAT credit), that it believes are recoverable.</p> <p>The recoverability of recognised deferred tax assets is dependent on the subsidiary's ability to generate future taxable profits sufficient to utilize the deductible temporary differences and tax losses and to set off the unused tax credits as above.</p> <p>The other auditor of the component has 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, more specifically its impact due to COVID-19 pandemic.</p> <p>Refer Note No. 13.1 to the Consolidated Financial Statements</p>	<p>As principal auditors, we had issued written communication to the auditor of the component ('Other Auditors') for key audit procedures to be performed by them.</p> <p>In accordance with such communication, the procedures performed by the Other Auditors, as reported by them, have been provided below.</p> <ul style="list-style-type: none"> - reconciling tax losses/ credits and expiry dates to tax statements; - assessing the accuracy of forecasts of future taxable profits by comparing the assumptions, such as projected growth rates, , their consistency with business plans and forecasts used for impairment testing purposes appropriately factored in for the probable impact of the Covid-19 pandemic. - evaluating the adequacy of disclosures in the financial statements.
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Director's report and its annexures, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint ventures, is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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 Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the respective entities 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 their respective entities 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 and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibility 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 financial 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 Parent/ Holding 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 the 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 ability of the Group

and its joint ventures 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 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 and its joint ventures 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 information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent/ Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matters

- (a) We did not audit the financial statements of five subsidiaries whose financial statements reflect total assets of ₹85,921 Lakhs as at 31st March, 2020, total revenues of ₹1,02,658 Lakhs and net cash outflows amounting to ₹2,089 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 210 Lakhs for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.
- (b) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹39 Lakhs as at 31st March, 2020, total revenues of ₹129 Lakhs and net cash outflows amounting to ₹7 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters section above 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, returns and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity 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 Parent as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies, its joint venture companies incorporated in India is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - g) 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 remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.
- ii) The Group and its joint ventures did not have any material foreseeable losses 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 Parent and its subsidiary companies and joint venture companies incorporated in India.

For **Deloitte Haskins & Sells**

Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)

(Membership No. 209252)
(UDIN: 20209252AAAAGB3507)

Place: Chennai
Date: June 24, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Rane Holdings Limited (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of its joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, and its joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 and the audit evidence obtained by the other auditors of the subsidiary companies and its joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India.

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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies and its joint ventures, which are

companies incorporated in India, have, 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, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates

to three subsidiary companies and two joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Ananthi Amarnath
(Partner)
(Membership No. 209252)
(UDIN: 20209252AAAAGB3507)

Place: Chennai
Date: June 24, 2020

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2020

₹ Lakhs

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
a. Property, plant and equipment	3	71,305	70,778
b. Right-of-use assets	7	868	-
c. Capital work-in-progress	3	5,188	3,339
d. Investment property	4	31	31
e. Goodwill	5	7,199	7,395
f. Other Intangible Assets	6	1,023	1,566
g. Intangible Assets under development	6	3	-
h. Financial assets			
i. Investments in Joint Venture	8	34,077	36,423
ii. Other Investments	8	2,410	2,083
iii. Other Financial assets	10	6,735	5,508
i. Deferred tax assets (Net)	13	3,234	2,330
j. Income tax assets (Net)	11	3,567	2,938
k. Other non-current assets	12	3,499	1,905
Total Non-current assets		139,139	134,296
Current assets			
a. Inventories	14	29,620	30,349
b. Financial assets			
i. Investments	8	416	155
ii. Trade receivables	15	35,952	47,996
iii. Cash and cash equivalents	16.a	5,927	3,560
iv. Bank balance other than (iii) above	16.b	105	99
v. Loan Receivables	9	36	27
vi. Other Financial assets	10	631	912
c. Other current assets	12	4,850	5,909
Total Current assets		77,537	89,007
Non-current assets held for sale	3	7	-
TOTAL ASSETS		216,683	223,303
EQUITY AND LIABILITIES			
Equity			
a. Equity Share capital	17	1,428	1,428
b. Other equity	18	80,803	85,139
Equity attributable to owners of the Company		82,231	86,567
Non-Controlling Interest	19	23,044	25,421
Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	20	25,814	19,322
ii. Other financial liabilities	21	806	824
b. Provisions	22	1,621	1,615
c. Deferred tax liabilities (Net)	13	352	1,219
d. Other non-current liabilities	23	2,371	1,938
Total Non-current liabilities		30,964	24,918
Current liabilities			
a. Financial liabilities			
i. Borrowings	20	27,708	30,761
ii. Trade payables	25		
a. Total outstanding dues of micro enterprises and small enterprises		2,006	1,886
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		30,883	36,572
iii. Other financial liabilities	21	14,848	12,554
b. Other current liabilities	23	3,118	2,640
c. Provisions	22	1,880	1,984
d. Current tax liabilities (Net)	24	1	-
Total Current liabilities		80,444	86,397
Total Liabilities		111,408	111,315
TOTAL EQUITY AND LIABILITIES		216,683	223,303

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**

Chartered Accountants

For and on behalf of the board

Ananthi Amarnath

Partner

Harish LakshmanVice Chairman and
Joint Managing Director
DIN: 00012602**Ganesh Lakshminarayan**Chairman and Managing Director
DIN: 00012583

Place: Chennai

Date: 24 June 2020

J Ananth

Chief Financial Officer

Siva Chandrasekaran

Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

S. No.	Particulars	Note No.	Year ended 31 March 2020	Year ended 31 March 2019
I	Revenue from operations	26	215,524	254,907
II	Other income	27	2,876	2,122
III	Total Income (I+II)		218,400	257,029
IV	Expenses			
	Cost of materials consumed	28	110,728	136,608
	Purchase of Stock-in-trade	29	847	1,905
	Changes in inventories of Finished goods, Work-in-progress and Stock-in-trade	30	725	(2,622)
	Employee benefits expense	31	44,208	44,594
	Finance costs	32	5,103	4,810
	Depreciation and amortisation expense	33	12,751	12,612
	Other expenses	34	44,800	51,452
	Total expenses		219,162	249,359
V	Profit / (Loss) before share of profit / (Loss) of joint venture and exceptional items (III-IV)		(762)	7,670
VI	Share of Profit of Joint Ventures		5,083	13,488
VII	Profit / (Loss) before exceptional items and tax (V+VI)		4,321	21,158
VIII	Exceptional items	42	(5,320)	(1,625)
IX	Profit / (Loss) before tax (After Exceptional Items) (VII+VIII)		(999)	19,533
X	Tax expense	35		
	a) Current tax		2,652	9,444
	b) Deferred tax		(2,605)	(1,493)
	c) Provision for tax relating to earlier years		1	-
			48	7,951
XI	Profit / (Loss) for the year (IX - X)		(1,047)	11,582
	Attributable to:			
	Owners of the parent		(272)	10,373
	Non- controlling interest		(775)	1,209
XII	Other Comprehensive Income			
	i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement losses on defined benefit plans		(1,131)	(349)
	(b) Net gain on FVOCI equity securities		391	63
	(c) Income tax relating to items that will not be reclassified to profit or loss		115	55
			(625)	(231)
	ii) Items that will be reclassified to profit or loss			
	(a) Net movement on cash flow hedges		(448)	(60)
	(b) Income tax relating to items that will be reclassified to profit or loss		157	11
	(c) Exchange differences on translation of foreign operations		(908)	261
			(1,199)	212
XIII	Total Other Comprehensive Income / (Loss) (net of tax)		(1,824)	(19)
	Attributable to:			
	Owners of the parent		(1,069)	24
	Non- controlling interest		(755)	(43)
XIV	Total Comprehensive Income / (Loss) for the year (XI + XII)		(2,872)	11,563
	Attributable to:			
	Owners of the parent		(1,341)	10,397
	Non- controlling interest		(1,531)	1,166
XV	Earnings per equity share			
	Basic & Diluted (in ₹)	45	(2)	73

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the board

Ananthi Amarnath
Partner

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2020

A. Equity Share Capital

Particulars	Amount
Balance as at 31 March 2018	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2019	1,428
Changes in equity share capital during the year	-
Balance as at 31 March 2020	1,428

B. Other Equity

Particulars	General Reserve	Retained Earnings	Capital Redemption Reserve	Capital Reserve	Securities Premium Reserve	Amalgamation adjustment Account	Capital Reserve on Consolidation	Other Reserve			Total Equity
								Foreign Currency Translation Reserve	Hedge Reserve	Total	
Balance as at 31 March 2018	36,098	37,092	1,319	69	2,447	(11)	2,069	(150)	36	(114)	78,969
Profit for the year	-	10,373	-	-	-	-	-	-	-	-	10,373
Other comprehensive income for the year (net of tax)	-	(101)	-	-	-	-	-	163	(36)	127	26
Payment of Dividends	-	(2,770)	-	-	-	-	-	-	-	-	(2,770)
Tax on Dividend	-	(290)	-	-	-	-	-	-	-	-	(290)
Transfer from Capital reserve on consolidation	-	298	-	-	-	-	(298)	-	-	-	-
Transfer to General Reserves	3,681	(3,681)	-	-	-	-	-	-	-	-	-
Addition due to increase in share subsidiaries	685	(1,190)	16	-	(677)	-	-	(3)	-	(3)	(1,169)
Balance as at 31 March 2019	40,464	39,731	1,335	69	1,770	(11)	1,771	10	-	10	85,139
Profit for the year	-	(272)	-	-	-	-	-	-	-	-	(272)
Other comprehensive income for the year (net of tax)	-	(314)	-	-	-	-	-	(571)	(184)	(755)	(1,069)
Payment of Dividends	-	(2,152)	-	-	-	-	-	-	-	-	(2,152)
Tax on Dividend	-	(556)	-	-	-	-	-	-	-	-	(556)
Transfer to General Reserves	7,419	(7,419)	-	-	-	-	-	-	-	-	-
Addition due to increase in share holdings in subsidiaries	317	(185)	23	-	(442)	-	-	-	-	-	(287)
Balance as at 31 March 2020	48,200	28,833	1,358	69	1,328	(11)	1,771	(561)	(184)	(745)	80,803

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amamath
Partner

Place: Chennai
Date: 24 June 2020

For and on behalf of the board

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

J Ananth
Chief Financial Officer

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Siva Chandrasekaran
Secretary

STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from operating activities		
Profit/(Loss) for the year	(1,047)	11,582
Adjustments for:		
Income Tax expenses recognised in P&L	48	7,951
Depreciation and amortisation of non-current assets	12,751	12,612
Gain on disposal of property, plant and equipment	(8)	(12)
Deferred revenue on government grant	(211)	(214)
Share of profit of Joint venture	(5,083)	(13,488)
Gain on disposal of investment in Joint Venture	-	(63)
Assets written off	18	27
Finance costs	5,103	4,810
Liability no longer required written back	(1,076)	(519)
Provision for Doubtful Debts/Advances	160	621
Advances Written Off	-	31
Dividend Income from Current Investments	(57)	(101)
Exceptional items	5,320	1,534
Translation (gain) or loss on fixed asset	(1,301)	(465)
Net foreign exchange (gain) or loss	(209)	41
Foreign currency translation reserve (gain) or loss	(908)	261
Interest income accrued	(159)	(257)
Movements in working capital:		
(Increase)/decrease in inventory	721	(5,545)
(Increase)/decrease in trade and other receivables	12,157	(3,112)
(Increase)/decrease in short-term loans and advances	(9)	-
(Increase)/decrease in long-term loans and advances	-	1
(Increase)/decrease in other long term financial assets	(1,229)	(2,070)
(Increase)/decrease in other short term financial assets	(122)	(52)
(Increase)/decrease in other non current assets	(612)	460
(Increase)/decrease in other current assets	1,060	818
Increase/(decrease) in trade payables	(4,499)	(735)
Increase/(decrease) in long term provisions	6	147
Increase/(decrease) in short term provisions	(105)	362
Increase/(decrease) in other non-current liabilities	645	1,659
Increase/(decrease) in other current liabilities	(529)	(1,612)
Increase/(decrease) in other non current financial liabilities	(600)	818
Increase/(decrease) in other current financial liabilities	225	431
(Increase)/decrease in cash balance not considered as cash and cash equivalents	(7)	(3)
Cash generated from operations	20,443	15,918
Income taxes paid	(2,462)	(4,943)
Net cash generated from operations	17,981	10,975

STATEMENT OF CONSOLIDATED CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

₹ Lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Cash flows from investing activities		
Payments for property, plant, equipment and intangible assets	(14,736)	(12,025)
Proceeds from disposal of property, plant & equipment	101	170
Proceeds on sale of financial assets - investment in Joint Venture (Placements) / Proceeds from Sale of current investments	-	1,200
	(261)	637
Dividend Income from Joint Venture	2,452	3,218
Interest received	102	269
Dividend Income from Current Investments	57	101
Purchase of long term investments	(67)	(2,238)
Net cash used in investing activities	(12,352)	(8,668)
Cash flows from financing activities		
Proceeds from borrowings (net off repayment)	5,600	7,630
Dividends paid on equity shares	(3,709)	(4,476)
Interest paid	(5,153)	(4,735)
Net cash used in financing activities	(3,262)	(1,581)
Net increase in cash or cash equivalents	2,367	726
Cash and cash equivalents at the beginning of the year	3,560	2,834
Cash and cash equivalents at the end of the year (Refer Note 16 a.)	5,927	3,560

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants

Ananthi Amarnath
Partner

Place: Chennai
Date: 24 June 2020

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

J Ananth
Chief Financial Officer

For and on behalf of the board

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Siva Chandrasekaran
Secretary

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

Summary of Significant Accounting Policies, critical judgements and key estimates

1 Corporate Information

Rane Holdings Limited ("RHL" or "the Company") is the holding company whose main activity is investing in Rane group Companies that are engaged primarily in the manufacturing/marketing of components and providing technological services for the transportation industry, mainly the automotive sector. The Rane Group's investment profile includes subsidiaries and joint ventures. The Company's income stream comprises of (i) dividend from the investments made in the group companies, (ii) trade mark fee for use of "RANE" trade mark and (iii) service fee from group companies for providing service in the areas of management, information technology, business development and infrastructure. The Company is a public limited Company incorporated in India with its registered office in Chennai, Tamilnadu, India. The Company is listed on the Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

2 Significant Accounting Policies

1. Statement of Compliance

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

Except for the changes below, the Group has consistently applied accounting policies to all periods.

- (i) The Group has adopted Ind AS 116 'Leases' with the date of initial application being 1 April 2019. Ind AS 116 replaces Ind AS 17 - Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach.
- (ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall

be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from 1 April 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact."

- (iii) On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.
- (iv) On 30 March 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from 1 April 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

2. Basis of preparation

The financial statements have been prepared on accrual basis under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange of services. 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, regardless of whether

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

that price is directly observable or estimated using another valuation technique.

The principal accounting policies are mentioned below.

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1. The Group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

3. Principles and Particulars of Consolidation

The consolidated financial statements relate to Rane Holdings Limited (referred as "the Company" or "the Holding Company"), its subsidiary companies (Collectively referred to as "the group") and the Group's share of profit / (loss) in its joint ventures.

The Financial statements of the Subsidiaries and Joint Ventures used in the consolidation are drawn up to the same reporting date as that of the holding company i.e. 31 March 2020.

4. Basis of Consolidation

a. Subsidiaries

Subsidiaries are 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 is transferred to the group.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

b. Joint Ventures

A Joint Venture is a joint arrangement whereby the parties that have joint control of the arrangements have the rights to the net assets of the joint arrangement.

The results of the Joint ventures are incorporated in the consolidated financial statements using Equity Method of accounting

5. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make estimates and assumptions as considered in 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.

6. Property, Plant and Equipment

Property, Plant and Equipment are carried at cost less accumulated depreciation/amortisation and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, including any import duties and other taxes (other than those subsequently recoverable from the tax authorities) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Capital Work in Progress: Project under which assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

Depreciation on property, plant and equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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.

- Buildings	- 30 Years
- Leasehold Improvements	- 5 Years
- Vehicles	- 5 Years
- Furniture and Fitting	- 5 Years
- Office Equipment (including computers)	- 3 Years

Assets costing less than ₹10,000 each are fully depreciated in the year of acquisition.

7. Investment Property

Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

The fair value of investment property is disclosed in the notes. Fair values are determined based on the Guideline Value published by the relevant revenue authority.

8.1 Goodwill

Goodwill arising on the acquisition of a subsidiary represents the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating

unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

8.2 Intangible Assets:

Intangible assets 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 tax authorities) and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in which the expenditure is incurred. The amortisation expense on intangible assets is recognised in the statement of profit or loss. 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 are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

Intangible assets are amortised over their estimated useful life as follows:

- License Fee on Software	- 3 Years or license period whichever is lower
- Technical Know how	- 3 years
- Internally generated software	- 6 years
- Customer relationships	- 4 years

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

9. 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.

10. Impairment of tangible and intangible assets including goodwill

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Goodwill and Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are 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 asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

11. Borrowings and Borrowing Costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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. Discount on Commercial Paper (the difference between the issue price and the redemption value) is amortised over the period of borrowings and recognised as discounting expense. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

12. Leases

The Group's lease asset classes primarily consist of leases for Building, IT Assets 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.

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2020

'At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. 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.

Transition

'Effective April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all

lease contracts existing on April 1, 2019 resulting in recognition of right of use assets and measured the lease liabilities at an equal amount as on the date of transition and hence no impact to reserves. Consequently, the Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application.

Comparatives as at and for the year ended March 31, 2019 have not been restated.

Under Ind AS 17

In the comparative period, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

13. Inventories

Stores and spare parts, Raw materials and components, work in progress and finished goods are valued at lower of cost and net realisable value. The basis of determining cost for various categories of inventory is as follows ;

- a) Raw materials and components, stores and spares - Weighted average cost method
- b) Work in progress and finished goods - Material cost plus appropriate share of labour and production overheads

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Inventories are written down for obsolete/slow moving/non-moving items wherever necessary.

14. Cash and cash equivalents

- i) 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

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

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.

14.1 Cash flow Statements

Cash flows are reported using the indirect method, whereby profit/(loss) before extraordinary items and 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.

15. Foreign Currency Transactions and translations

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the Group's functional and presentation currency.

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

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. 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 recognised in the Statement of Profit and Loss.

Derivative Financial instruments and Hedge Accounting

The Group is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Group has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Group enters into various foreign currency derivative contracts with Banks in the form of Forward currency contracts ('Hedging instrument') and recognise the financial assets / liabilities ('hedged item') through formal documentation of the hedging relationship in line with the Group'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 recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised 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 recognised hedged item.

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

16. Revenue Recognition

The Group derives revenues primarily from various products and services related to manufacture and supply of auto components and providing technological services for transportation industry. 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 in an amount that reflects the probable consideration expected to be received in exchange for those

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products or services. Revenue is reduced for estimated customer returns, rebates 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.

Revenue from services has been recognised as and when the service has been performed.

Other Income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to the asset's net carrying amount on initial recognition. Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably). Export incentives including Duty Drawback and entitlements under Merchandise Exports from India Scheme (MEIS) are accounted on accrual basis.

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.

17. Government Grants

Government grants, including export incentives, are recognised only when there is reasonable

assurance that the Group will comply with the conditions attaching to them and the grants will be received. 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.

18. Employee Benefits

Employee benefits include provident fund, superannuation fund, gratuity fund and compensated absences.

Defined contribution plans

Provident Fund

The Group contributes to a government administered Provident fund on behalf of its employees, which are charged to the consolidated statement of profit and loss. The Group has no obligations for future provident fund benefits other than its monthly contributions.

Superannuation Fund

This is a defined contribution plan, where a portion of the eligible employees' salary, as per the choice exercised by the respective employees, is contributed towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). There are no further obligations for future superannuation benefits other than the annual contributions which is recognized as expense as and when due.

Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with Actuarial Valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

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Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Defined benefit costs are categorized as follows:

1. Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
2. Net interest expense or income; and
3. Re-measurement
 - a. The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.
 - b. Past service cost is recognised in profit or loss in the period of a plan amendment.
 - c. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.
 - d. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

19. 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 account.

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

20. Provisions and Contingent Liabilities

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

Provisions for Warranty : The estimated liability for product warranties is recorded when products are sold. These estimates are established using

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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.

21. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable Income tax laws. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss i.e., in other comprehensive income. Management periodically evaluates position taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b. Deferred tax:

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is reasonable certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset

if such items relate to taxes on income levied by the same governing tax laws and the Group has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

c. Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that Group will pay normal income tax. Accordingly, MAT asset is recognised in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Group.

d. Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws and the amount and timing of future taxable income. The Group establishes provision, based on reasonable estimates. The amount of such provisions is based on various factors such as experience of previous tax audits and differing interpretations of tax regulation by the taxable entity and the responsible tax authority. Such differences in interpretation may arise on a wide variety of issues depending on the conditions prevailing on the respective domicile of the Companies.

22. Financial Instruments

Initial recognition

The Group 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

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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 statement of profit or loss.

iii. **Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest rate 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."

iv. **Derecognition of financial instruments**

The Group 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 Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires."

Impairment

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

23. 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 18.

24. Fair Value :

The Group measures financial instruments at fair value in accordance with the accounting policies. 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, categorized into three levels, described as follows:

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

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).

25. Impairment of financial assets

All financial assets classified at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model. For trade receivables, the Group applies simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

26. Earnings Per Share

Basic earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the 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

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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. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

27. Segment Reporting

The Company holds strategic investments in subsidiaries and joint ventures (collectively called "The Group") that are primarily engaged in single segment viz., manufacturing/marketing of components and providing technological services for Transportation industry and also provides consultancy and other services to the Group.

28. Subsequent Events

The Group evaluated all events and transactions that occurred after 31 March 2020 through 24 June 2020, the date the financial statements are issued. Based on the evaluation, the Group is not aware of any events or transactions that would require recognition or disclosure in the financial statements.

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

In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The 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.

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.

29.1. Fair value measurements and valuation processes

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified

valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

29.2 Useful lives of property, plant and equipment

As described at Note 2 (SI no.6) 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.

29.3 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.

29.4 Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognised on closure of assessment or in the period in which they are agreed. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available.

29.5 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.

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Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
3. Property, Plant and Equipment and Capital Work-in-progress		
a. Property, Plant and Equipment		
Particulars		
Carrying amounts of:		
Freehold land	11,193	11,200
Buildings	15,904	14,916
Plant and equipment	42,705	43,536
Computer and Accessories	75	99
Furniture and Fixtures	438	263
Office Equipments	781	636
Vehicles	76	102
Electrical equipments	133	26
b. Capital Work-in-progress	71,305	70,778
	5,188	3,339

Particulars	₹ Lakhs										Total
	Freehold land	Buildings	Plant and equipment	Computers and Accessories	Furniture and Fixtures	Office Equipments	Vehicle	Electrical Equipments			
Cost or deemed cost											
Balance as at 31 March 2018	11,200	15,836	63,210	252	749	1,441	225	58			92,971
Additions	-	1,138	9,913	61	63	250	29	-			11,454
Disposals	-	(1)	(196)	(5)	(55)	(2)	(19)	-			(278)
Effect of foreign currency exchange differences	-	-	615	-	-	12	-	-			627
Balance as at 31 March 2019	11,200	16,973	73,542	308	757	1,701	235	58			104,774
Additions	-	1,793	8,307	18	344	530	12	118			11,122
Disposals	-	(21)	(355)	(15)	(20)	(45)	-	-			(456)
Effect of foreign currency exchange differences	-	-	1,046	-	1	82	2	-			1,131
Reclassification of Non-current assets held for sale (Refer note 3.5)	(7)	-	-	-	-	-	-	-			(7)
Transfer to Right of use assets (Refer note 3.6)	-	-	(1,295)	-	-	-	-	-			(1,295)
Balance as at 31 March 2020	11,193	18,745	81,245	311	1,082	2,268	249	176			115,269
Particulars	Freehold land	Buildings	Plant and equipment	Computers and Accessories	Furniture and Fixtures	Office Equipments	Vehicle	Electrical Equipments			Total
Accumulated depreciation and impairment											
Balance as at 31 March 2018	-	1,312	19,277	148	378	678	102	27			21,922
Depreciation expense / impairment expense	-	745	10,588	66	167	387	47	5			12,005
Eliminated on disposals	-	-	(18)	(5)	(51)	(2)	(17)	-			(93)
Effect of foreign currency exchange differences	-	-	159	-	-	2	1	-			162
Balance as at 31 March 2019	-	2,057	30,006	209	494	1,065	133	32			33,996
Depreciation expense / impairment expense	-	792	10,145	38	170	447	40	11			11,643
Eliminated on disposals	-	(8)	(269)	(11)	(20)	(38)	-	-			(346)
Effect of foreign currency exchange differences	-	-	(172)	-	-	13	-	-			(159)
Transfer to Right of use assets (Refer note 3.6)	-	-	(1,170)	-	-	-	-	-			(1,170)
Balance as at 31 March 2020	-	2,841	38,540	236	644	1,487	173	43			43,964
Carrying amount as at 31 March 2019	11,200	14,916	43,536	99	263	636	102	26			70,778
Carrying amount as at 31 March 2020	11,193	15,904	42,705	75	438	781	76	133			71,305

Note:

- All the land and buildings held by RHL as on 31 March 2020 and 31 March 2019 are free of lien except land mortgaged for loan availed from Tata Capital Financial Services Limited & Federal Bank Limited (refer Note - 20.5)
- Moveable fixed assets of RHL are mortgaged for working capital facility with Citi Bank N.A.
- In respect of RML: Property, Plant and Equipment pledged as security is specified in Borrowings note no 20.1
- In respect of REV.L: Property, Plant and Equipment pledged as security is specified in Borrowings note no 20.2
- In respect of REV.L: Represents carrying value of vacant land classified as held for sale based on management's decision. The sale is expected to be concluded within one year from the end of the financial year.
- In respect of RML: Represents reclassification of Property, plant & equipment to Right of use assets.

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4. Investment Property

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Investment property - Land	31	31
	31	31

4.1 Fair value of the Company's investment property

₹ Lakhs

Particulars	Level 2 (Guideline Value)	
	31 March 2020	31 March 2019
Fair Value	54	54

In respect of the Subsidiary company REVL, the fair value represents the valuation based on the market value guidelines indicated by the Registration Department of Government of Tamil Nadu.

5. Goodwill

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Cost or deemed cost	7,395	7,395
Accumulated impairment losses	(196)	-
	7,199	7,395

Particulars	Amount
Cost or deemed cost	
Balance at 31 March 2018	7,395
Additions	
Disposals	-
Balance at 31 March 2019	7,395
Additions	-
Disposals	-
Balance at 31 March 2020	7,395
Accumulated impairment losses	
Balance at 31 March 2018	-
Impairment losses recognised in the year	
Additions	-
Disposals	-
Balance at 31 March 2019	-
Impairment losses recognised in the year(Refer note 5.1)	196
Additions	-
Disposals	-
Balance at 31 March 2020	196

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For impairment testing the carrying amount of goodwill was allocated to cash generating units as follows:

Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Rane (Madras) Limited	2,844	2,844
Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.)	-	196
Rane Engine Valve Limited	3,874	3,874
Rane Brake Lining Limited	114	114
Rane Holdings Europe GmbH	2	2
Rane t4u Private Limited	365	365
	7,199	7,395

Key assumptions used for value-in-use calculations:

The Group company tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of the cash generating unit (CGU) is determined based on fair value less costs of disposal in the case of quoted investments and in the case of unquoted investments, it is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management.

Notes:

5.1. In respect of RML:

The group has assessed the recoverable value of its Goodwill in an operating wholly owned step down subsidiary (either directly or through the intermediate subsidiary) and provided for an impairment aggregating to Rs.196 Lakhs in the consolidated financial statements of the group. The impact on the consolidated financial statements of the group has been disclosed as an exceptional charge for the year ended March 31, 2020. In order to carry out the above assessment, projections of future cash flows based on the most recent long-term forecasts, including selling price as well as volumes are estimated over the next five years. The estimation of sales volumes is based on management's assessment of probability of securing the new businesses in the future, adverse business impact and uncertainties arising due to COVID-19 pandemic to the extent known.

5.2 The group carried out an impairment assessment of the carrying value of net assets held in two of its subsidiary companies aggregating to Rs.11,962 Lakhs based on the internal and external information available as of date and by estimating the future cash flow projections based on the most recent long term forecast and concluded that there was no impairment. The estimation of future cash flow projections is based on management's assessment of uncertainties arising due to COVID-19 pandemic to the extent known.

6. Other Intangible Assets

Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Software Licence	896	1,292
Technical-know how	113	248
Customer Relationship	14	26
	1,023	1,566
Particulars	As at 31 March 2020	As at 31 March 2019
Intangible Assets under Development	3	-

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Particulars				₹ Lakhs
	Software License	Technical know-how	Customer Relationship	Total
Cost or deemed cost				
Balance as at 31 March 2018	2,004	440	50	2,494
Additions	114	-	-	114
Disposals	-	-	-	-
Balance as at 31 March 2019	2,118	440	50	2,608
Additions	65	-	-	65
Disposals	-	-	-	-
Balance as at 31 March 2020	2,183	440	50	2,673

Particulars				₹ Lakhs
	Software License	Technical know-how	Customer Relationship	Total
Accumulated depreciation and impairment				
Balance as at 31 March 2018	377	52	6	435
Amortisation expense	449	140	18	607
Elimination on disposals	-	-	-	-
Balance as at 31 March 2019	826	192	24	1,042
Amortisation expense	461	135	12	608
Elimination on disposals	-	-	-	-
Balance as at 31 March 2020	1,287	327	36	1,650
Carrying amount as on 31 March 2019	1,292	248	26	1,566
Carrying amount as on 31 March 2020	896	113	14	1,023

7. Right to Use of Assets

Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Carrying amounts of:		
Land	211	-
Buildings	160	-
Plant & Equipments	50	-
Office Equipments	147	-
Vehicles	286	-
Others	14	-
	868	-

Particulars							₹ Lakhs
	Land	Buildings	Plant & Equipments	Office Equipments	Vehicles	Others	Total
Cost or Deemed Cost							
Balance as at 31 March 2019	-	-	-	-	-	-	-
Recognition of right of use assets on account of transition to Ind AS 116	220	256	47	300	391	18	1,232
Disposals	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	104	24	-	-	128
Transfer from Property, Plant and Equipment	-	-	1,295	-	-	-	1,295
Balance as at 31 March 2020	220	256	1,446	324	391	18	2,655

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Particulars	Land	Buildings	Plant & Equipments	Office Equipments	Vehicles	Others	Total
Accumulated amortisation							
Balance as at 31 March 2019	-	-	-	-	-	-	-
Amortisation expense	9	96	125	161	105	4	500
Elimination on disposals	-	-	-	-	-	-	-
Effect of foreign currency exchange differences	-	-	101	16	-	-	117
Transfer from Property, Plant and Equipment	-	-	1,170	-	-	-	1,170
Balance as at 31 March 2020	9	96	1,396	177	105	4	1,787
Carrying amount as on 31 March 2019	-	-	-	-	-	-	-
Carrying amount as on 31 March 2020	211	160	50	147	286	14	868

Note:

Effective 01 April 2019, the group has adopted Ind AS 116 "Leases" applied to all lease contracts existing as 01 April 2019 using modified retrospective method. The said transition does not have a material impact on the financial results for the year ended March 31, 2020. The adoption has resulted in recognition of Right-of-use assets and liabilities of ₹ 1053 Lakhs as on the transition date.

8. Investments

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
I. Unquoted Investments:				
A. Joint Venture Companies (Refer note 8.2)				
Rane TRW Steering Systems Private Limited (43,69,123 shares of ₹10 each)	20,783	20,190	-	-
Rane NSK Steering Systems Private Limited (87,71,000 shares of ₹10 each)	13,294	16,233	-	-
	34,077	36,423	-	-
B. Investments in Equity Instruments at cost:				
Clean Wind Power (Manvi) Private Limited (43,200 shares of ₹10 each for the year ended 31 March 2020 and 31 March 2019)	5	5	-	-
Capsol Energy Private Limited (21,00,000 shares of ₹10 each for the year ended 31 March 2020 and 31 March 2019)	210	210	-	-
CWRE Wind Power Private Limited (876 shares of ₹ 10 each for the year ended 31 March 2020 and 770 shares as on 31 March 2019) (Refer note 8.3)	0.09	0.08	-	-
C. Investments in Equity at FVTOCI:				
AutoTech Fund I, L.P (Refer note 8.1)	2,195	1,868	-	-
	2,410	2,083	-	-
Non Current Investments	36,487	38,506	-	-
D. Investment in Mutual Funds				
I. Unquoted Investments				
Investment in Mutual Fund - Measured at FVTPL				
- Aditya Birla Sun Life Liquid Fund - Growth	-	-	261	75
- Nippon India Liquid Fund - Growth	-	-	155	-
- Reliance Liquid Fund - Growth	-	-	-	80
Current Investments	-	-	416	155

Note:-

8.1. The Company has invested an aggregate sum of ₹ 2,195 Lakhs (USD 34,00,000) in AutoTech Fund I, L. P (AutoTech) towards its share of capital contribution as one of the Limited Partners in the Fund. During the current financial

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year, the company has received an amount of ₹ 553 Lakhs (USD 777,747) from AutoTech towards its share of distribution proceeds from the sale proceeds realized through sale of investments held by Autotech in some of the portfolio companies. The equivalent cost of the above sale proceeds amounting to ₹ 423 Lakhs (USD 594,724) has been reduced from the cost of investments

8.2. The investment in joint ventures are valued as follows:

The results of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the joint venture investment. Distributions received from joint venture are reduced from the carrying amount of the investment.

8.3. During the year 2019-20, REVL had additionally invested in CWRE Wind Power Private Limited 106 shares of ₹ 10/- each.

9. Loan Receivables

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Loans and advances to employees	-	-	36	27
	-	-	36	27

10. Other Financial Assets

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Security deposits (Refer note 10.2.a)	2,268	2,124	10	22
Interest receivable	-	-	139	81
Other deposits	505	506	-	-
Deposits with Statutory Authorities (Refer note 10.3)	3	41	-	-
Insurance claims	1,008	1,008	13	-
Claims Receivable	3	8	131	601
Tooling Advance	2,692	1,723	-	-
Loans and advances to employees	-	-	14	16
Rent deposits	23	22	66	68
Margin money Deposits (Refer note 10.1 & 10.2.b)	233	76	12	17
Advance recoverable in cash	-	-	29	33
Rebate of GST on Exports Receivable	-	-	168	-
Duty Drawback Receivable	-	-	17	37
Unbilled revenue	-	-	26	28
Other receivable	-	-	6	9
Total	6,735	5,508	631	912

Notes:

10.1 In respect of RML:

Margin money with banks is restricted cash deposits and consists of collateral provided for bank guarantees and DSRA account earmarked for EXIM Loan provided to step down Subsidiary (Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) - ₹ 222 Lakhs (31 March 2019: ₹ 65 Lakhs))

10.2 In respect of RBL:

- Security deposits includes rent deposit paid to director - ₹ Nil (31 March 2019: ₹12 Lakhs)
- Margin money with banks ₹11 Lakhs as at 31 March 2020 and 31 March 2019.

10.3 In respect of Rane T4U:

Deposit with statutory authorities include deposit in relation to ongoing disputes with service tax authorities - ₹ Nil (31 March 2019: ₹ 14 lakhs)

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11. Income tax assets (Net)

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Advance Income-tax (net of provision for taxation)	3,567	2,938	-	-
	3,567	2,938	-	-

12. Other Assets

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Unsecured and considered good unless otherwise stated:				
Prepaid expenses	-	1	1,163	891
Capital advances	2,195	1,213	-	-
Balance with statutory/government authorities	507	511	1,702	2,029
Security Deposits (Refer note 12.1)	21	-	-	-
Advances to suppliers	-	-	590	743
Prepayment against leasehold land	209	180	-	-
Advances to employees	-	-	124	102
Export Entitlements	-	-	380	1,334
MEIS Scrips received	-	-	23	117
MEIS Receivable	-	-	343	544
Others	567	-	525	149
	3,499	1,905	4,850	5,909

Notes:

12.1 In respect of RT4U:

Security deposits includes Interest free Debt Service Reserve Deposit with Tata Capital Financial Services Private Limited

13. Deferred tax balances

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

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	3,234	2,330
Deferred tax liabilities	(352)	(1,219)

Deferred Tax Assets - 2019-20

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing Balance
Deferred tax assets					
Expenses allowable under tax on actual payment basis	562	28	-	-	590
Voluntary Retirement Compensation Scheme	70	(64)	-	-	6
Deferred Revenue	3	(1)	-	-	2
Provision for doubtful debts	188	(34)	-	-	154
Defined benefit obligation - Gratuity	24	4	(11)	-	17
Cash flow hedges	-	-	7	-	7
Other financial liabilities	-	29	-	-	29
Unused Tax losses (including unabsorbed depreciation)	777	740	-	-	1,517
Unused Tax Credit (MAT Credit Entitlement)	395	-	-	-	395
Provision for leave salary	9	(1)	-	-	8
Provision for bonus	2	-	-	-	2
Business loss carried forward	364	82	-	-	446
	2,394	783	(4)	-	3,173
Deferred tax liabilities					
Property, plant and Equipment	(223)	284	-	-	61
	(223)	284	-	-	61
Net Deferred Tax Asset / (Net deferred tax liability)	2,171	1,067	(4)	-	3,234

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Deferred Tax Liabilities - 2019-20

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing Balance
Deferred tax assets					
Expenses allowable under tax on actual payment basis	516	16	-	-	532
Voluntary Retirement Compensation Scheme	295	188	-	-	483
Provision for doubtful debts	163	23	-	-	186
Defined benefit obligation - Gratuity	(4)	(57)	53	-	(8)
Unused Tax Credit (MAT Credit Entitlement)	-	376	-	-	376
Others	605	(18)	87	-	674
Provision for expense	785	(31)	-	-	754
Other temporary differences	569	(53)	-	-	516
Provision for leave salary	43	1	-	-	44
Provision for bonus	4	(1)	-	-	3
	2,976	444	140	-	3,560
Deferred tax liabilities					
Deferred tax liability due to fair valuation asset	(175)	51	-	-	(124)
Dividend distribution tax on undistributed profit	(368)	368	-	-	-
Cash flow hedge reserve	-	-	150	-	150
Property plant and equipment	(3,493)	(425)	-	-	(3,918)
Fair valuation on Equity instruments through OCI	-	-	(20)	-	(20)
	(4,036)	(6)	130	-	(3,912)
(Net Deferred Tax Liability) / Net deferred tax asset	(1,060)	438	270	-	(352)

Deferred Tax Assets - 2018-19

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing Balance
Deferred tax assets					
Expenses allowable under tax on actual payment basis	857	189	-	-	1,046
Voluntary Retirement Compensation Scheme	492	(160)	-	-	332
Amalgamation Expenses	5	(5)	-	-	-
Deferred Revenue	-	3	-	-	3
Provision for doubtful debts	183	169	-	-	352
Defined benefit obligation - Gratuity	34	4	17	-	55
Unused Tax losses (including unabsorbed depreciation)	474	299	-	-	773
Unused Tax Credit (MAT Credit Entitlement)	395	-	-	-	395
Other temporary differences	443	126	-	-	569
Provision for leave salary	45	6	-	-	51
Provision for bonus	5	-	-	-	5
Business loss carried forward	208	155	-	-	363
Provision for statutory liability	8	(8)	-	-	-
	3,149	778	17	-	3,944
Deferred tax liabilities					
Restatement of Equity Investments	(3)	-	3	-	-
Property plant and equipment and Intangible Assets	(1,821)	207	-	-	(1,614)
	(1,824)	207	3	-	(1,614)
Net Deferred Tax Asset / (Net deferred tax liability)	1,325	985	20	-	2,330

Notes forming part of the Consolidated Financial Statements

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Deferred Tax Liabilities - 2018-19

₹ Lakhs

Particulars	Opening balance	Recognised in P&L	Recognised in OCI	Others	Closing Balance
Deferred tax assets					
Unused Tax Credit (MAT Credit Entitlement)	718	-	-	(718)	-
Voluntary Retirement Compensation Scheme	78	(44)	-	-	34
Others	501	78	29	-	608
Provision for expense	628	157	-	-	785
	1,925	191	29	(718)	1,427
Deferred tax liabilities					
Deferred tax liability due to fair valuation asset	(198)	23	-	-	(175)
Dividend distribution tax on undistributed profit	(350)	(18)	-	-	(368)
Cash flow hedge reserve	(18)	-	18	-	-
Property plant and equipment	(2,122)	19	-	-	(2,103)
	(2,688)	24	18	-	(2,646)
(Net Deferred Tax Liability) / Net of deferred tax asset	(763)	215	47	(718)	(1,219)

Note

13.1 In respect of REVL: Considering the forecasts of future performance and resultant cash flows, the management of the subsidiary company is of the opinion that the deferred tax assets available will be realized against future taxable profits.

14. Inventories (Valued at lower of cost and net realizable value)

₹ Lakhs

Particulars	As at	
	31 March 2020	31 March 2019
Stores & Spares		
Raw Materials and components	4,567	4,152
Work-in-process	7,957	8,520
Finished Goods	3,525	3,792
Stock in Trade	11,718	10,506
	153	255
Goods-in-transit		
Raw Materials and components	627	483
Finished Goods	1,073	2,641
	29,620	30,349

14.1. The cost of inventories recognised as an expense during the year is given in notes to Statement of profit and loss (Refer note 28 & 30)

14.2. In respect of Rane Engine Valve Ltd, the cost of inventories recognized as an expense includes ₹98 Lakhs (during 2018-19: ₹178 Lakhs) in respect of write-downs of inventory to net realizable value.

14.3. In respect of Rane (Madras) Ltd, the cost of inventories recognised as an expense includes ₹Nil (during 2018-19 : ₹10 lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹26 lakhs (during 2018-19: ₹Nil) in respect of the reversal of such write-downs.

14.4. In respect of Rane Brake Lining Limited, the cost of inventories recognised as an expense includes ₹54 Lakhs (during 2018-19: ₹85 Lakhs) in respect of write-downs of inventory to net realisable value.

14.5. The method of valuation of inventories has been stated in Note 2 (SI No.13)

15. Trade Receivables

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
Trade receivables considered good - Unsecured	35,952	47,996
Trade receivables - Credit impaired	1,167	1,455
Less: Allowance for credit impaired (expected credit loss allowance)	(1,167)	(1,455)
	35,952	47,996

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The credit period for the group companies is as follows:

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 > 120 days over a rolling period of past 24 months ; b) Past trend of the actual amount of bad debts written off over a rolling period of past 24 months and c) actual amount of outstanding receivables greater than 120 days as on the reporting date. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due ranges between 0% and 34%.

₹ Lakhs

Movement in expected credit loss allowance	As at 31 March 2020	As at 31 March 2019
Balance at beginning of the year	1,455	850
Movement in statement of profit and loss (Refer note 27 & 34)	(293)	605
Foreign exchange adjustment	5	-
Balance at end of the year	1,167	1,455

Movement in the statement of profit and loss represents provision no longer required written back included under other income and provision for bad & doubtful debts included under other expenses.

16.a. Cash and cash equivalents

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	30	27
Balance with banks in		
Current accounts	2,210	1,718
EEFC account	407	646
Deposit accounts	3,280	589
Mutual Fund investments	-	580
	5,927	3,560

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

16.b. Bank balances other than above

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks in earmarked accounts - Unclaimed Dividend	104	98
Unpaid REVL Fractional Shares account	1	1
	105	99

17. Share Capital

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
a. Authorised Share Capital :		
Equity Shares:		
1,50,00,000 Equity Shares of ₹ 10 each	1,500	1,500
Preference Shares:		
50,00,000 13.5% Cumulative Redeemable Preference Shares of ₹ 10 each	500	500
b. Issued Share Capital:		
1,42,77,809 Equity Shares (1,42,77,809 Shares) of ₹10 each	1,428	1,428
c. Subscribed Share Capital:		
1,42,77,809 Equity Shares (1,42,77,809 Shares) of ₹ 10 each fully paid-up	1,428	1,428
	1,428	1,428

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17.1 Reconciliation of number of shares

₹ Lakhs

Particulars	2019-20		2018-19	
	Number of shares	Amount	Number of shares	Amount
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the period	1,42,77,809	1,428	1,42,77,809	1,428
Add/Less : movement during the year	-	-	-	-
At the end of the period	1,42,77,809	1,428	1,42,77,809	1,428

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 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.

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.

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

Class of Shares / Name of the Share holder	As at 31 March 2020		As at 31 March 2019	
	Number of shares held	% of holding in shares	Number of shares held	% of holding in shares
Fully paid up equity shares				
1. Raman T G G	14,84,056	10.39%	14,84,056	10.39%
2. Sundaram Mutual Fund A/c Sundaram Smile Fund	7,13,303	5.00%	7,18,940	5.04%

17.3 There is no change in the number of shares at the beginning of the year and end of the year.

18. Other Equity

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
a. General reserve	48,200	40,464
b. Retained Earnings	28,833	39,731
c. Capital Redemption Reserve	1,358	1,335
d. Capital Reserve	69	69
e. Securities premium Reserve	1,328	1,770
f. Hedge Reserve account	(184)	-
g. Amalgamation adjustment account	(11)	(11)
h. Foreign Currency translation reserve	(561)	10
i. Capital Reserve on Consolidation	1,771	1,771
	80,803	85,139

a. General Reserve

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	40,464	36,098
Additions during the year	7,419	3,681
Addition due to increase in share holdings in subsidiaries	317	685
Deductions / Adjustments during the year	-	-
Balance at the end of the year	48,200	40,464

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.

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b. Retained Earnings

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	39,731	37,092
Additions during the year		
1. Profit/(Loss) for the year	(272)	10,373
2. Other Comprehensive income	(314)	(101)
3. Effect due to increase in share holdings in subsidiaries	(185)	(1,190)
4. Transfer from Capital reserve on consolidation	-	298
Deductions during the year		
1. Payments of dividend on equity shares	2,152	2,770
2. Corporate tax on dividend	556	290
3. Transfer to General Reserves	7,419	3,681
Balance at the end of the year	28,833	39,731

On February 10, 2020, an interim dividend of ₹ 4 per share (total dividend ₹ 571 Lakhs) was paid to the holders of fully paid equity shares.

In respect of the year ended March 31, 2020, the directors propose that a dividend of ₹ 4/- per share 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 ₹ 571 Lakhs.

c. Capital Redemption Reserve

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,335	1,319
Additions during the year	-	-
Addition due to increase in share holdings in subsidiaries	23	16
Deductions /adjustments during the year	-	-
Balance at the end of the year	1,358	1,335

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.

d. Capital Reserve

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	69	69
Additions during the year	-	-
Deductions /adjustments during the year	-	-
Balance at the end of the year	69	69

e. Securities Premium Reserve

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,770	2,447
Additions during the year	-	-
Addition due to increase in share holdings in subsidiaries	(442)	(677)
Deductions /adjustments during the year	-	-
Balance at the end of the year	1,328	1,770

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Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.

f. Hedge Reserve ₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	-	36
Additions during the year	(184)	-
Deductions /adjustments during the year	-	(36)
Balance at the end of the year	(184)	-

RML & REVL subsidiary companies, have designated certain foreign currency contracts as cash flow hedges in respect of foreign exchange risks.

The cumulative effective portion of gain or losses arising on changes in the fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss are included as an adjustment to the cost of the related hedged item.

g. Amalgamation Adjustment Account ₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	(11)	(11)
Additions during the year	-	-
Addition due to increase in share holdings in subsidiaries	-	-
Deductions /adjustments during the year	-	-
Balance at the end of the year	(11)	(11)

At the time of business combination under common control, amalgamation adjustment reserve of transferor company becomes the amalgamation adjustment reserve of transferee Company.

h. Foreign Currency Translation Reserve ₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	10	(150)
Additions during the year	(571)	163
Addition due to increase in share holdings in subsidiaries	-	(3)
Deductions /adjustments during the year	-	-
Balance at the end of the year	(561)	10

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 statement of profit or loss when the net investment is disposed-off.

i. Capital Reserve on Consolidation ₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of the year	1,771	2,069
Additions during the year	-	-
Deductions /adjustments during the year	-	(298)
Balance at the end of the year	1,771	1,771

Notes forming part of the Consolidated Financial Statements

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19. Non-controlling interests

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at beginning of year	25,421	25,751
Additions during the year		
1. Profit/(Loss) for the year	(775)	1,209
2. Other Comprehensive income	(755)	(43)
3. Other Consolidation adjustments	156	(78)
Deductions during the year		
1. Payments of dividend on equity shares	832	1,176
2. Corporate tax on dividend	171	242
	23,044	25,421

20. Borrowings

₹ lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
a. Secured				
Term loan from banks	22,815	17,829	-	-
Loan repayable on demand - from Bank	-	-	7,808	8,176
Other loans from banks	-	-	17,076	17,852
	22,815	17,829	24,884	26,028
b. Unsecured				
Term Loans from banks	3,000	1,500	-	-
Commercial paper	-	-	2,000	4,000
Unamortised Borrowing cost	(1)	(7)	-	-
Bill Discounting	-	-	824	733
	2,999	1,493	2,824	4,733
	25,814	19,322	27,708	30,761

Summary of borrowing arrangements

20.1 In respect of RML :

Secured loans include loan from banks. The Secured Loans outstanding as at March 31, 2020 are secured by a charge created on the Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties).

EXIM Bank Loan is secured against all movable Property, Plant and Equipment, current assets of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) and shares of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) held by Rane (Madras) International Holdings B.V.

EXIM Bank loan availed by Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) during the year has been secured against an unconditional and irrevocable Standby Letter of Credit provided and by a charge created on the Company's Fixed Assets both present and future (excluding Velachery and Mysuru properties).

a. The terms of repayment of term loans are given below

Secured		
Particulars	As at 31 March 2020	As at 31 March 2019
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 Years of Moratorium period	Repayable in 12 equal quarterly Instalments commencing from January 2018 with 2 Years of moratorium period

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Secured		
Particulars	As at 31 March 2020	As at 31 March 2019
ICICI Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from April 2019 with 3 Years of Moratorium period	Repayable in 12 equal quarterly Instalments commencing from April 2019 with 3 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of Moratorium period	Repayable in 12 equal quarterly Instalments commencing from October 2018 with 2 Years of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of Moratorium period	Repayable in 12 equal quarterly Instalments commencing from March 2019 with 2 Years of moratorium period
SCB - INR Long Term Loan	Repayable in 10 equal quarterly Instalments commencing from January 2020 with 30 months of moratorium period	Repayable in 10 equal quarterly Instalments commencing from January 2020 with 30 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period	Repayable in 12 equal quarterly Instalments commencing from September 2019 with 23 months of moratorium period
HDFC Bank - INR Long Term Loan	Repayable in 16 equal quarterly Instalments commencing from June 2020 with 1 Year of moratorium period	Repayable in 16 equal quarterly Installments commencing from June 2020 with 1 Year of moratorium period
Federal Bank - INR Long Term Loan	Repayable in 12 equal quarterly Instalments commencing from June 2021 with 2 years of moratorium period	-
EXIM Bank - Foreign Currency Term Loan (USD)	Foreign Currency Term Loan amounting to USD 2 Million is repayable in 12 equal quarterly Instalments commencing from August 2018 with 2 Years of Moratorium period	Foreign Currency Term Loan amounting to USD 2 Million is repayable in 12 equal quarterly Instalments commencing from August 2018 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Foreign Currency Term Loan amounting to USD 4.8 Million is repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 Years of Moratorium period	Foreign Currency Term Loan amounting to USD 4.8 Million is repayable in 12 equal quarterly Instalments commencing from February 2019 with 2 Years of Moratorium period
EXIM Bank - Foreign Currency Term Loan (USD)	Repayable in 12 structured quarterly Instalments commencing from February 2022 with 2 Years of Moratorium period	-
Unsecured		
Particulars	As at 31 March 2020	As at 31 March 2019
AXIS Bank - INR Long Term Loan	Repayable in one Installment November 2020 (after considering Moratorium announced by RBI)	Repayable in one Installment May 2020

As at 31 March 2020, the interest rate for INR loans range from 8.40% p.a to 9.10% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

As at 31 March 2019, the interest rate for INR loans range from 8.75% p.a to 9.40% p.a; The interest rate for USD loans are LIBOR (6 months) + 375bps p.a

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

Breach of Loan agreement: There is no breach of loan agreement with banks.

Notes forming part of the Consolidated Financial Statements

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Current borrowings

- a. Bill Discounting represent amount received against finance receivables securitized / assigned, which does not qualify for derecognition.
- b. Secured loans include cash credit, packing credit and working capital demand loan from banks. The Secured Loans outstanding as at March 31, 2020 are secured on a pari passu basis by way of hypothecation of inventories and book debts.
- c. EXIM Bank loan is secured against all movable property, plant and equipment, current assets of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) and shares of Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.) held by Rane (Madras) International Holdings B.V.

20.2 In respect of REVL :

Term loans are secured by Pari-passu basis first charge on that company's immovable and movable fixed assets (other than properties situated at Peenya and Tumkur) both present and future. Exclusive charge on the Company's immovable and movable fixed assets with HDFC Bank on properties situated at Peenya and Tumkur.

₹ lakhs			
Details of the long term borrowings	Repayment Start Date	Instalment Amt.	No. of Quarterly Instalments as per agreement
Rupee Term Loans			
HDFC Bank Ltd			
Loan 1	Oct-2016	63	16
Loan 2	Nov-2016	113	16
Loan 3	Oct-2019	150	12
Loan 4	Feb-2022	50	12
Federal Bank Ltd	Nov-2020	158	12

- i) The Company has opted to avail the moratorium announced by RBI vide notification dated March 27, 2020 and May 23, 2020 as part of COVID-19 regulatory package consequent to which Term Loan principal repayment from April 2020 to August 2020 has been rescheduled.
- ii) Short term borrowings are secured by hypothecation of raw materials, work in progress, finished goods, stores & spares and book debts of the company on Pari-passu basis.
- iii) Bill discounting from Banks represents liability in respect of vendor financing facility availed by certain Customers with recourse to the Company.
- iv) None of the above loans have been guaranteed by any Directors or others.
- v) Interest free sales tax loan from Government of Andhra Pradesh represents liability arising out of deferment of sales tax for a period of 14 years from 1996 to 2010. The Group should continue to be in operation and there should not be any change in location or management of the group until the loan is fully repaid.
- vi) There has been no default as on Balance Sheet date in repayment of principal and interest.

20.3 In respect of RBL :

Working capital loans, Buyers credit and PCFC from banks are secured on paripassu basis by way of hypothecation of all inventories, book debts and other current assets of that Company.

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

20.4 In respect of RT4U :

Indian rupee loan from Banks / Financial institutions

	Terms of repayment
a. Secured	
Working Capital facilities (fund based) from HDFC Bank Limited Secured by way of exclusive charge on the current assets of that Company and comfort letter from M/s. Rane Holdings Limited (Holding Company).	The cash credit facility is payable on demand as per the latest sanction letter dated 10 January 2019. The total limit sanctioned is ₹600 lakhs with sub limits for purchase bill discounting and bank guarantee.
b. Unsecured	
Term Loan from Tata Capital Financial Services Limited	Loan availed ₹500 Lakhs is repayable in 33 equated monthly installments of ₹15.15 Lakhs each commencing from Feb-2018. Interest is payable on monthly basis commencing from 31 October, 2017.
Secured by way of comfort letter from M/s. Rane Holdings Limited (Holding Company).	Loan availed ₹ 200 Lakhs is repayable in 48 equated monthly installments of ₹ 5.09 Lakhs each commencing from Sep-2019. Interest is payable on monthly basis commencing from 15 December, 2018.
	Loan availed ₹ 200 Lakhs is repayable in 48 monthly installments of ₹ 4.17 Lakhs each commencing from November-2020. Interest is payable on monthly basis commencing from 15 December, 2019
	Loan availed ₹89.27 Lakhs is repayable in 48 monthly installments of ₹1.86 Lakhs each commencing from April-2021. Interest is payable on monthly basis commencing from 15 April, 2020
	Loan availed ₹100 Lakhs is repayable in 48 equated monthly installments of ₹ 2.08 Lakhs each commencing from Nov-2020. Interest is payable on monthly basis commencing from 15 December, 2019.
	Finance lease of ₹33.63 Lakhs is repayable in 16 equated quarterly installments of ₹ 2.64 Lakhs each commencing from Aug-2018.

20.5 In respect of RHL :

Loan	Terms of repayment
1. Term loan from Tata Capital Financial Services Limited [TCFSL] on 06 September 2017 (Loan 1)	During the year ended 31 March 2020, the company made a prepayment of ₹ 500 Lakhs in addition to regular repayment installments amount of ₹ 500 Lakhs. Repayable in 16 equal quarterly Instalments commencing from June, 2018 with 12 months of moratorium period
2. Term loan from Tata Capital Financial Services Limited [TCFSL] on 19 December 2019 (Loan 2)	During the year ended 31 March 2020, the company has availed the Term loan of ₹1,500 Lakhs from Tata Capital Financial Services Limited and made a repayment of ₹ 45 Lakhs. Repayable in 11 equal quarterly Instalments commencing from Jan, 2020.
3. Term from Federal Bank Limited (Loan 1)	During the year ended 31 March 2020, the company has availed Term loan of ₹ 272 Lakhs in multiple tranches from Federal Bank Limited. Repayable in 16 equal quarterly Instalments commencing from June, 2020 with 12 months of moratorium period
4. Term from Federal Bank Limited (Loan 2)	During the year ended 31 March 2020, the company has availed the Term loan of ₹ 671 Lakhs in multiple tranches from Federal Bank Limited. Repayable in 16 equal quarterly Instalments commencing from September, 2020 with 12 months of moratorium period

As at 31 March 2020, the interest rate range from 7.22% p.a to 10.75% p.a

- The term loans outstanding as at 31 March 2020 which are availed from Tata Capital Financial Services and Federal Bank Limited are secured by a charge created on the company's land located at Chittaranjan Road, Chennai on Pari-passu basis.

Notes forming part of the Consolidated Financial Statements

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- The company is having working capital credit facility of ₹ 500 Lakhs with Citi Bank, N.A by hypothecating current assets and moveable fixed assets. There is no outstanding balance as on 31 March 2020 and 31 March 2019.
- The Company has opted to avail the moratorium announced by RBI vide notification dated March 27, 2020 as part of COVID-19 regulatory package consequent to which Term Loan principal repayment for loans availed from Tata Capital Financial Services Limited were extended by two months.

Breach of Loan agreement: There is no breach of loan agreement with banks.

21. Other financial liabilities

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Current maturities of term loans from banks	-	-	9,753	7,585
Interest accrued but not due on borrowings	-	-	201	251
Derivative liabilities	-	-	458	27
Deposits with C & F agents	2	5	-	-
Security deposits	-	-	51	92
Unclaimed dividend	-	-	104	98
Trade deposits	-	-	-	132
Employee related	-	-	3,151	3,200
Lease Liability	590	7	341	129
Tooling Advance	214	812	217	-
Payables on purchase of fixed assets	-	-	449	726
Provision for Forward Contracts / Derivatives	-	-	1	-
Commission payable to Chairman	-	-	30	144
Others (refer note 21.1)	-	-	92	170
	806	824	14,848	12,554

- 21.1 In respect of RHL, Others include an accrued amount of ₹ 59 Lakhs in the earlier years towards arrears of lease rent for the land taken under lease which had been surrendered during 2008-09.

22. Provisions

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Leave encashment (Refer note 36)	1,621	1,615	561	518
Other employee benefits	-	-	6	6
Product warranty (Refer note 41)	-	-	742	855
Others	-	-	571	605
	1,621	1,615	1,880	1,984

Notes

Provision for Leave encashment

The provision for employee benefits includes annual leave and vested long service leave entitlements accrued.

In respect of RBL:

Provision for warranty and other probable tax demands are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date

Notes forming part of the Consolidated Financial Statements

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23. Other liabilities

₹ Lakhs

Particulars	Non Current		Current	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Revenue received in advance - Deferred revenue (Refer note 23.1 & 23.2)	248	398	185	211
Advances and Deposits from Customers	-	-	188	109
Statutory dues	-	-	571	674
Unearned revenue	-	-	55	83
Provision for Gratuity (Refer note 36)	-	-	2,115	1,548
Provision for Pension plan	2,123	1,540	-	-
Others	-	-	4	15
	2,371	1,938	3,118	2,640

Note:

- 23.1 In respect to RML, the deferred revenue comprise of the benefit received from government as grant at a subsidised price for setting up business and government grant pertaining to capital goods imported under EPCG Scheme and recognised the same as deferred income with the corresponding impact in property, plant and equipment.
- 23.2 In respect to RBL, the deferred revenue arises as a result of the benefit received from EPCG on account of purchase of capital goods. The revenue was offset against the depreciation costs incurred in 2019-20 ₹ NIL (2018-2019 ₹ 24 Lakhs).

24. Current tax liabilities

₹ lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Provision for Tax relating to earlier years (Net of Advance Tax & TDS)	1	-
	1	-

25. Trade Payables

₹ Lakhs

Particulars	Current	
	As at 31 March 2020	As at 31 March 2019
i.Total outstanding dues of micro enterprises and small enterprises	2,006	1,886
ii.Total outstanding dues of creditors other than micro enterprises and small enterprises	30,883	36,572
	32,889	38,458

Dues to Micro Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Group. This has been relied upon by the auditors.

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

The Group 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:

Particulars	₹ lakhs	
	As at 31 March 2020	As at 31 March 2019
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	1,954	1,886
- Interest	0.70	0.20
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	368	766
- Interest	1	10
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	4	-
- Interest	-	-
The amount of interest accrued and remaining unpaid at the end of the year (Previous year ₹ Nil Lakhs) being interest outstanding as at the beginning of the accounting year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1	-
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.	-	-

26. Revenue from Operations

Particulars	₹ lakhs	
	Year Ended 31 March 2020	Year Ended 31 March 2019
a. Sale of products	204,449	243,280
	204,449	243,280
b. Other Operating Revenue		
Scrap Sales	1,548	2,376
Sale of materials	486	380
Sale of Tools	2,309	1,423
Service fees	3,149	3,079
Trade mark fees	2,205	2,723
Export Incentives	1,373	1,646
Others	5	-
	11,075	11,627
Total	215,524	254,907

Notes:

a) Disaggregation of the Revenue information:

The Group offers various products and services related to manufacture and supply of auto components and providing technological services for transportation industry. As per the management, the disaggregation of revenue based on geography are depicted in Note 38.

Notes forming part of the Consolidated Financial Statements

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b) Trade Receivables

The Group classifies the right to consideration in exchange for services/deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer/when the related services are rendered to the customer.

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

27. Other Income

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Interest Income		
- from bank deposits	140	232
- Income tax refund	4	23
- on supplier payments	14	16
- on rent deposits	2	2
Dividend Income		
- from mutual funds	57	101
Net foreign exchange gain	1,079	12
Provision no longer required written back	795	519
Gain on Sale of Property, plant and equipment	8	12
Gain on Sale of Investment	-	63
Government Grant Income	211	214
Other Non-Operating Income	566	928
	2,876	2,122

28. Cost of raw materials consumed

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Opening Stock of Raw Material	9,003	6,159
Add: Purchase of materials (Includes Sub/Job-Contracts)	110,309	139,452
Less: Closing Stock of Raw Material	8,584	9,003
	110,728	136,608

29. Purchase of Stock-in-trade

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Purchase of Stock-in-trade	847	1,905

30. Changes in inventories of Finished Goods, Work-In- Progress and Stock-in-Trade

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Inventories at the end of the year:		
Finished goods	12,791	13,147
Work-in-Progress	3,525	3,792
Stock-In-Trade	153	255
	16,469	17,194
Inventories at the beginning of the year:		
Finished goods	13,147	10,755
Work-in-Progress	3,792	3,614
Stock-In-Trade	255	203
	17,194	14,572
Net (increase)/decrease		
Finished goods	356	(2,392)
Work-in-Progress	267	(178)
Stock-In-Trade	102	(52)
	725	(2,622)

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

31. Employee Benefit Expenses

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Salaries and wages	37,379	38,033
Contribution to provident and other funds (Refer note 36)	3,694	3,374
Staff welfare expenses	3,135	3,187
	44,208	44,594

32. Finance Cost

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Interest expense		
- From Loans	4,852	4,330
Discount on Commercial paper	-	225
Other interest expenses	2	22
Other borrowing costs	127	184
Interest on lease liabilities	89	11
Applicable net loss on foreign currency transactions and translation including borrowing cost	33	38
	5,103	4,810

33. Depreciation and Amortisation Expense

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Depreciation of property, plant and equipment	11,643	12,005
Amortisation of intangible assets	608	607
Amortisation of right to use of assets	500	-
	12,751	12,612

34. Other Expenses

₹ lakhs

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Consumption of stores and spares	8,087	9,784
Power & fuel	8,645	9,987
Rent	299	594
Rates & taxes	569	1,024
Insurance	996	906
Repairs and maintenance		
- Building	501	581
- Plant & Equipment	4,989	5,147
- Other assets	1,114	1,011
Donation (Refer note 34.2)	299	352
General Manufacturing, Selling and Admin Expenses	32	39
Packing, Forwarding & Dispatching	5,938	6,732
Commission on sales	204	242
Directors' Sitting Fees	63	63
Chairman's Commission	249	402
Audit fee (Refer Note No.34.1)	158	139
Advertisement and Sales Promotion	79	375
Net Foreign exchange loss	40	798
Freight & Cartage Outward	3,351	3,497
Travel Expenses	2,213	2,494
Postage & Telecom Expenses	187	202

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

Particulars	₹ lakhs	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Printing & Stationery	251	283
Professional Charges	3,311	3,119
Information Systems expenses	814	937
Warranty and Other claims	349	223
Assets Written Off	18	27
Leasehold Land Amortisation	27	23
Bank charges	202	163
Royalty and technical fees	644	571
Trade mark fees	6	4
Provision for bad & doubtful debts	(121)	621
Advances written off	-	31
Miscellaneous expenses (Refer note 34.2)	1,286	1,081
	44,800	51,452

34.1 Remuneration to Auditors consist of:

Particulars	₹ lakhs	
	Year Ended 31 March 2020	Year Ended 31 March 2019
As Auditors	90	89
Taxation Matters	10	12
Company Law Matters	8	8
Other Services	48	29
Reimbursement of expenses	2	1
Total	158	139

34.2 Corporate Social responsibility:

Particulars	₹ lakhs	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Expenditure incurred for Corporate social responsibility	328	357
Amount required to be spent u/s 135 of the Companies Act, 2013	317	253

CSR expenditure is Included under Donation & Miscellaneous expenses.

34.3 R&D Expenditure:

Particulars	₹ lakhs	
	Year Ended 31 March 2020	Year Ended 31 March 2019
Capital Expenditure	2,694	1,320
Revenue Expenses	2,746	2,575
	5,440	3,895

35. Income Taxes

Particulars	₹ lakhs	
	Year ended 31 March 2020	Year ended 31 March 2019
A. The major components of income tax expense for the year are as under :		
Income tax recognised in the Statement of profit and loss		
Current tax:		
In respect of current year	2,652	9,444
Provision for tax relating to earlier years	1	-
Deferred tax:		
In respect of current year	(2,605)	(1,493)
Income tax expense recognised in the Statement of Profit and Loss	48	7,951

Notes forming part of the Consolidated Financial Statements

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

₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit/(Loss) before tax	(999)	19,533
Income Tax expense calculated at 34.94%(2018-19 - 34.94%)	(1,874)	5,815
Income Tax expense calculated at 25.17% (2018-19- 29.12%)	1,149	1,213
Effect of Tax paid under MAT	(376)	-
Effect of income tax on Capital Gains	-	(170)
Donation exempt under Section 80G	15	45
Effect of expenses that are added in determining taxable profit	(6)	50
Effect of Income that are not taxable in determining taxable profit	(13)	(12)
Effect of other deductible temporary difference	350	12
Effect of concessions (research and development related to Capital and Revenue)	(1,022)	(789)
Interest expense related to MSME enterprises	-	4
Impact of interest cost or profit / loss on sale of investment and fixed assets	(6)	(5)
Income on sale of fixed assets	(5)	(5)
Tax impact of unit situated in notified state as per Section 80IC	-	(59)
Loss of foreign subsidiary	2,263	1,821
Provision for tax relating to earlier years	18	16
Additional provision for unfavourable tax demands	39	35
Deferred Income impact due to Government Grant (EPCG)	(54)	(65)
Deferred tax impact on fair valuation arising out of business combination	(51)	(23)
Deferred tax impact on undistributed profit	(368)	18
Others	(11)	50
Income Tax expense/(gain) recognised in profit or loss	48	7,951

₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
35.1 Income tax recognised in other comprehensive income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	167	52
Equity investment through other comprehensive income		
i. Current tax	(33)	3
ii. Deferred tax	(20)	-
Impact of cash flow hedges	157	11
Total income tax recognised in other comprehensive income	271	66

Note:

Pursuant to The Taxation Laws (Amendment) Ordinance, 2019 issued on September 20, 2019, corporate assessee have been given an option to apply a lower income tax rate with effect from April 01, 2019, subject to certain conditions specified therein. Accordingly the company has opted to avail lower income tax rate with effect from April 01, 2019. However some of its entities in the group based on the evaluation of comparative tax costs and considering the future performance forecasts, have not opted for the above said option, and accordingly, no effect in this regard has presently been considered in the measurement of tax expense for the year ended March 31, 2020 and the consequent impact in the deferred tax as on that date to the consolidated financial statements for those entities.

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

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 and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Group are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Group 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 ₹ 1,518 Lakhs (for the year ended 31 March 2019: ₹ 1,547 Lakhs) represents contributions payable to these plans by the group at rates specified in the rules of the plans.

B. Defined benefit plans :

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

a. Gratuity

The Group 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. Some of the entities in the Group makes annual contributions to gratuity funds established as trusts or insurance companies. The Group accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

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.
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.

Notes forming part of the Consolidated Financial Statements

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(i) Movements in the present value of the defined benefit obligation are as follows.

₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening defined benefit obligation	5,826	5,187
Current Service Cost	538	446
Interest cost	401	394
Remeasurement (gains) / losses :		
Actuarial (gains) and losses arising from changes in demographic assumptions	258	68
Actuarial (gains) and losses arising from changes in financial assumptions	149	27
Actuarial (gains) and losses arising from experience adjustments	(14)	2
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(388)	(298)
Closing defined benefit obligation	6,770	5,826

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

₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening fair value of plan assets	4,278	3,921
Interest income	197	232
Remeasurement gain / (loss) :	1	-
Return on plan assets (excluding amounts included in net interest expense)	71	44
Contributions from the Employer	473	375
Benefits paid	(365)	(295)
Closing fair value of plan assets	4,655	4,278

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

₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Present value of funded defined benefit obligation	6,770	5,826
Fair value of plan assets	4,655	4,278
Funded status	2,115	1,548
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	2,115	1,548

Notes forming part of the Consolidated Financial Statements

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

₹ lakhs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Service Cost :		
Current Service cost	538	446
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	79	86
Components of defined benefit costs recognised in profit or loss	617	532
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	411	98
Actuarial (gains) / losses arising from changes in financial assumptions	166	101
Actuarial (gains) / losses arising from experience adjustments	(11)	6
Components of defined benefit costs recognised in other comprehensive income	566	205
Total	1,183	737

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 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, takes 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 Group's policy for plan asset management and other relevant factors.

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

Particulars	Valuation as at	
	31 March 2020	31 March 2019
Discount Rate(s)	6.22% to 6.64%	7.58% to 8.00%
Executives and Staff	4.50% to 8.00%	4.50% to 8.00%
Operators	4.50% to 8.00%	4.50% to 8.00%
Expected rate of return on plan assets	6.22% to 6.64%	7.58% to 8.00%
Attrition Rate		
Executives and Staff	2.00% to 8.00%	3.00% to 8.00%
Operators	1.00% to 5.00%	1.00% to 5.00%

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Sensitivity Analysis		₹ lakhs	
Change in assumption	31 March 2020	31 March 2019	
A. Discount Rate + 50 BP	6.72% to 7.14%	8.08% to 8.50%	
Defined Benefit Obligation [PVO]	4,216	3,550	
Current Service Cost	299	249	
B. Discount Rate - 50 BP	5.72% to 6.14%	7.08% to 7.50%	
Defined Benefit Obligation [PVO]	4,626	3,870	
Current Service Cost	358	304	
C. Salary Escalation Rate +50 BP	5.00% & 8.50%	5.00% & 8.50%	
Defined Benefit Obligation [PVO]	4,629	3,872	
Current Service Cost	359	308	
D. Salary Escalation Rate -50 BP	4.00% & 7.50%	4.00% & 7.50%	
Defined Benefit Obligation [PVO]	4,213	3,547	
Current Service Cost	301	246	

(vi) b. In respect of subsidiary Rane t4u Private Limited, the principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	Valuation as at	
	31 March 2020	31 March 2019
Discount Rate	5.20%	6.70%
Expected rate of salary increases		
Executives Managers & Below / Senior Manager & Above	12.00%	12.00%
Expected rate of attrition		
Executives and Staff	47.00%	47.00%

Sensitivity Analysis (In respect of subsidiary Rane t4u Private Limited)		₹ lakhs	
Change in assumption	31 March 2020	31 March 2019	
Salary growth rate			
-1% increase(+100BP)	74	71	
-1% decrease(-100BP)	73	70	
Discount rate			
-1% increase(+100BP)	72	69	
-1% decrease(-100BP)	75	72	

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses above 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

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The weighted average duration of the defined obligation (range) is 2.22 to 11.75 years (2019 - 2.29 to 11.70 years). The expected maturity analysis of undiscounted gratuity is as follows:

Particulars	₹ lakhs	
	31 March 2020	31 March 2019
Year 1	761	415
Year 2	375	609
Year 3	414	291
Year 4	403	305
Year 5	384	368
Next 5 Years	2,480	2,000

(b) Compensated absences

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

The amount of provision of Rs. 2,182 Lakhs (March 31, 2019 - Rs. 2,133 Lakhs). However based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payments within the next 12 months.

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial assumptions for long-term compensated absences		
Discount rate	6.22% to 6.64%	6.70% to 8.00%
Salary escalation		
Executives & Staff	4.50% to 12.00%	4.50% to 12.00%
Operators	4.50% to 8.00%	4.50% to 8.00%
Attrition		
Executives & Staff	2.00% to 47.00%	3.00% to 47.00%
Operators	1.00% to 5.00%	1.00% to 5.00%

In respect of a US subsidiary of Rane (Madras) Limited [Rane Light Metal Casting Inc.]

A. Defined contribution plans

Rane Light Metal Casting Inc. had a 401k plan set up for its employees. The contributions payable to these plans by Rane Light Metal Casting Inc. are at rates specified in the rules of the schemes.

B. Defined benefit plans :

Pension -

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

- \$23:00 multiplied by years of benefit service from December 2003 to 10 October 2005; plus
- \$24:00 multiplied by years of benefit service from October 2005 to 09 October 2006; plus
- \$25:00 multiplied by years of benefit service from 09 October 2006, to 08 October 2007; plus
- \$26:00 multiplied by years of benefit service from 08 October 2007 to 16 December 2010; plus
- \$16:00 multiplied by benefit service after 16 December 2010.

Disability benefit:

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

Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year.

Notes forming part of the Consolidated Financial Statements

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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 Casting 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 Labour.”

Rane Light Metal Casting Inc. is exposed to various risks in providing the above pension benefit which are as follows:

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

₹ lakhs

Particulars	Pension (Funded)	
	2019-20	2018-19
Present Value of obligations at the beginning of the year	4,125	3,634
Current service cost	69	78
Interest Cost	159	152
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from experience adjustment	(54)	66
- Actuarial gains and losses arising from financial assumptions	434	87
Benefits paid	(122)	(113)
Foreign currency translation adjustment	403	221
Present Value of obligations at the end of the year	5,014	4,125
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	2,587	2,289
Interest Income	99	96
Expected Return on plan assets	-	-
Contributions from the employer	278	237
Benefits Paid	(122)	(113)
Return on Plan Assets, Excluding Interest Income	(187)	(61)
Actuarial gain/ (loss) on plan assets	-	-
Foreign currency translation adjustment	237	139
Fair Value of plan assets at the end of the year	2,892	2,587
Amounts recognized in the Balance Sheet	(2,122)	(1,538)
Projected benefit obligation at the end of the year	(5,015)	(4,127)
Fair value of plan assets at end of the year	2,891	2,587
Funded status of the plans - Liability recognised in the balance sheet	(2,124)	(1,540)
Components of defined benefit cost recognised in profit or loss		
Current service cost	69	78
Net Interest Expense	59	57
Past service cost	-	-
Net Cost in Profit or Loss	128	135

Notes forming part of the Consolidated Financial Statements

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Components of defined benefit cost recognised in Other Comprehensive income		₹ lakhs
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from experience adjustment	381	151
Return on plan assets	187	61
Net Income / (Cost) in Other Comprehensive Income	568	212

Assumptions	31 March 2020	31 March 2019
Expected Return on Plan Assets	3.05%	3.75%
Discount rate	3.05%	3.75%
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 Casting Inc. has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Sensitivity Analysis		₹ lakhs	
Particulars	As at 31 March 2020	As at 31 March 2019	
Projected Benefit Obligation on Current Assumptions	5,014	4,125	
Delta Effect of +0.5% Change in Rate of Discounting	(384)	(296)	
Delta Effect of -0.5% Change in Rate of Discounting	387	310	

Please note that the sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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, 2020

37. Related Party Disclosures

	2019-20	2018-19
(a) List of related parties where control exists	Description of relationship	
	Joint ventures	
	Rane TRW Steering Systems Private Limited (RTSS)	Rane TRW Steering Systems Private Limited (RTSS)
	Rane NSK Steering Systems Private Limited (RNSS)	Rane NSK Steering Systems Private Limited (RNSS)
		JMA Rane Marketing Limited (JMA Rane) (Ceased to be in Joint Venture from 14 November 2018)
(b) Other Related parties where transactions has taken place	Key Management Personnel	
	Mr. L Ganesh	Mr. L Ganesh
	Mr. Harish Lakshman	Mr. Harish Lakshman
	Mr. L Lakshman	Mr. L Lakshman
	Mrs. Pushpa Lakshman	Mrs. Pushpa Lakshman
	Mr. Vinay Lakshman	Mr. Vinay Lakshman
	Mrs. Meenakshi Ganesh	Mrs. Meenakshi Ganesh
	Mr. Aditya Ganesh	Mr. Aditya Ganesh
	Mrs. Aparna Ganesh	Mrs. Aparna Ganesh
	Mrs. Shanti Narayan	Mrs. Shanti Narayan
	Mrs. Hema C Kumar	Mrs. Hema C Kumar
	Mrs. Vanaja Aghoram	Mrs. Vanaja Aghoram
Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation	Rane Foundation
	Savithur Enterprises Private Limited	Savithur Enterprises Private Limited
(c) Post employment benefit plans	HL Hill Station Properties Private Limited	HL Hill Station Properties Private Limited
	RT Automotive Systems Private Limited	RT Automotive Systems Private Limited
	Rane Holdings Limited Gratuity Fund	Rane Holdings Limited Gratuity Fund
	Rane Holdings Limited Senior Executives Superannuation Fund	Rane Holdings Limited Senior Executives Superannuation Fund
	Rane Engine Valve Limited Employees Gratuity Fund	Rane Engine Valve Limited Employees Gratuity Fund
	Rane Engine Valve Limited Senior Executives Pension Fund	Rane Engine Valve Limited Senior Executives Pension Fund
	Rane Brake Lining Limited Employees Gratuity Fund	Rane Brake Lining Limited Employees Gratuity Fund
	Rane Brake Lining Limited Senior Executives Pension Fund	Rane Brake Lining Limited Senior Executives Pension Fund

Notes forming part of the Consolidated Financial Statements

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Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	₹ lakhs											
Transaction during the year												
Fee for Services rendered												
RTSS			847	774								
RNSS			674	686								
Trademark Fee												
RTSS			1066	1325								
RNSS			1139	1398								
Sales												
Rane (Madras) Limited (RML) to RTSS			1573	2354								
RML to JMA Rane			-	443								
Rane Engine Value Limited (REVL) to JMA Rane			-	83								
Purchases												
RML from RTSS			80	38								
RML from RNSS			1480	1670								
Donation to Rane Foundation												
Rane Holdings Limited (RHL)									101	114		
RML									87	88		
Rane Brake Lining Limited (RBL)									79	102		
Advisory Fee												
L Lakshman - RHL								100	100			
Salary and Other Perquisites												
L Ganesh - RHL												
Harish Lakshman - RTSS									164	154		
Aditya Ganesh - RML									192	143		
Vinay Lakshman - RBL											65	48
Commission											241	291
L Ganesh - RHL									119	157		

Notes forming part of the Consolidated Financial Statements

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Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
L Lakshman - RHIL							100	100				
L Ganesh - RBL			93		100							
L Ganesh - RML			30		144							
Sitting Fees												
L Lakshman							10	9				
L Ganesh			7		6							
Harish Lakshman			6		6							
Post Employment Benefit Plan												
Rane Holdings Limited Gratuity Fund											6	23
Rane Holdings Limited Senior Executives Superannuation Fund											24	20
Rane Engine Valve Limited Employees Gratuity Fund											146	124
Rane Engine Valve Limited Senior Executives Pension Fund											22	22
Rane Brake Lining Limited Employees Gratuity Fund											67	28
Rane Brake Lining Limited Senior Executives Pension Fund											26	30

Notes forming part of the Consolidated Financial Statements

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Description	Subsidiaries		Joint ventures		Key Management Personnel		Relative of KMP		Enterprises over which KMP or relatives of KMP can exercise significant influence		Post employment benefit plans	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Payables												
RML to RTSS			16	14								
RML to RNSS			216	185								
Commission												
L Ganesh - RML					30	144						
L Ganesh - RHL					119	157						
Service fee and trademark fee												
RTSS			74	27								
RNSS			56	18								
Post Employment Benefit Plan												
RBL											263	99
RHL											24	28
REVL											-	2
Receivables												
RML from RTSS			253	478								
Service fee and trademark fee												
RTSS			261	426								
RNSS			297	342								

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38. Segment Reporting

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

Geographical Information

₹ Lakhs

Particulars	Revenue from external customers		Non - current assets**	
	Year Ended 31 March 2020	Year Ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
India	1,60,758	1,92,250	77,940	79,539
Rest of World	54,766	62,657	11,177	5,475
Total	2,15,524	2,54,907	89,117	85,014

The geographical segments considered for disclosure are - India and Rest of the World.

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

And this excludes financial assets, deferred tax assets and tax assets.

Information about major customers

Revenue from sale of auto components to largest customers (greater than 10% of total sales) is ₹ 61,369 Lakhs (31 March 2019, ₹ 80,480 Lakhs)

39. Contingent Liabilities

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Letters of Credits & Guarantees issued by Bank	679	1,232
Guarantees issued/undertakings given	440	238
Claims against the Group not acknowledged as debts	17,651	17,006
It is not practicable for the Group 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.		
Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advance)	4,019	6,419
Uncalled liability on investment *	1,206	1,591
Other Commitments		
In respect of REVL, based on expert opinion obtained by that 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 REVL pursuant to a merger in earlier years.	-	-

* Represents Uncalled liability on investment in Auto Tech I, L.P for USD 5 Million over 5 years

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40. Leases

a. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2020: ₹ Lakhs

Particulars	As at 31 March 2020
Current lease liabilities	341
Non-current lease liabilities	589
Total	930

b. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2020: ₹ Lakhs

Particulars	As at 31 March 2020
Balance as on 1st April 2019	193
Recognition of lease liability on account of transition to IndAS 116	-
Reclassified on account of adoption of IND AS 116	74
Additions	1101
Finance costs accrued during the period	90
Deletions	-
Payment of Lease liabilities	(677)
Effects of Foreign exchange	11
Balance as on 31st March 2020	792

c. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis: ₹ Lakhs

Particulars	As at 31 March 2020
Less than one year	384
One to five years	464
More than five years	549
Total	1397

d. The impact of changes in accounting policy on account of adoption of Ind AS 116 is as follows. ₹ Lakhs

Particulars	Amount
Decrease in Property, Plant and equipment by	-
Increase in lease liability by	1175
Increase in right of use assets by	1175
Increase/(Decrease) in Deferred tax assets by	-
Increase/(Decrease) in finance cost by	90
Increase/(Decrease) in depreciation by	500

e. Amounts recognized in profit or loss

₹ Lakhs

Particulars	As at 31 March 2020
Interest on lease liabilities	90
Variable lease payments not included in the lease payment liabilities	11
Income from sub-leasing right of use assets	-
Expenses relating to short- term leases	267
Expenses relating to leases of low- value assets,excluding short term leases of low value assets.	-

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f. Amounts recognized/disclosed in cash flow statement		₹ Lakhs
Particulars		As at 31 March 2020
Total cash outflows for leases		677

41. Warranties		₹ Lakhs	
Particulars	As at 31 March 2020	As at 31 March 2019	
Balance at the beginning of the year	855	606	
Add: Provision made during the year	391	266	
Less: Provision used against claims settled during the year	504	6	
Unused amounts reversed	-	(11)	
Balance at the end of the year	742	855	

42. Exceptional Items		₹ Lakhs	
Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019	
Impairment of Goodwill (Refer note 5.1)	(196)	-	
Warranty Claims (Refer note 42.1)	(5,124)	(1,534)	
Voluntary Retirement Scheme (VRS) (Refer note 42.2)	-	(91)	
	(5,320)	(1,625)	

42.1 In respect of RNSS (a joint venture company),

The company has recognised a provision of ₹ 5,124 lakhs (March 31, 2019: ₹ 1,534 Lakhs) towards warranty expenses, based on management estimates, which is net of claims received

42.2 In respect of RBL,

Voluntary Retirement Scheme (VRS) expenditure incurred amounting to ₹ 91 lakhs for the year ended 31 March 2019 to employees who opted for early retirement in terms of a voluntary retirement scheme introduced by that Company.

43. Group Information

The group's subsidiaries, joint ventures as at 31 March 2020 are set out below

Companies	Country of Incorporation	% of voting power held	
		As at 31 March 2020	As at 31 March 2019
a. Information about Subsidiaries			
Rane (Madras) Limited - (RML)	India	63%	62%
- Rane (Madras) International Holdings B.V (RMIH) - (subsidiary of RML)	The Netherlands	100%	100%
- Rane Light Metal Castings Inc. (Formerly known as Rane Precision Die Casting Inc.- (subsidiary of RMIH))	The United States of America	100%	100%
Rane Engine Valve Limited - (REVL)	India	55%	55%
Rane Brake Lining Limited - (RBL)	India	47%	46%
Rane t4u Private Limited	India	70%	69%
Rane Holdings America Inc.	The United States of America	100%	100%
Rane Holdings Europe GmbH	Germany	100%	100%
b. Information about Joint Ventures			
Rane TRW Steering Systems Private Limited - (RTSS)	India	50%	50%
Rane NSK Steering Systems Private Limited - (RNSS)	India	49%	49%

43.1 Rane (Madras) Limited, subsidiary company (RML), allotted on a preferential basis to the Company, 17,42,160 Share warrants at a price of ₹ 287/- each compulsorily convertible into 17,42,160 equity shares of ₹ 10 each upon payment of the total consideration of ₹ 5000 lakhs in one or more tranches. The company has paid 25% of the

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above issue price amounting to ₹ 1250 lakhs during Dec'19. During Mar'20, the company has paid further amount of ₹ 1250 lakhs towards first tranche to exercise conversion of 580,720 warrants into equivalent equity shares and was allotted 580,720 Equity Shares of ₹ 10/- each at ₹ 215.63 per share.

- 43.2 The Company has acquired 20,259 equity shares of Rane Brake Lining Limited (RBL), a subsidiary company at prevailing market prices aggregating to ₹ 130 Lakhs through the stock market.
- 43.3 The company has acquired 10,000 equity shares of Rane t4u Pvt. Ltd (Rt4u), a subsidiary company, from Karnataka Information Technology Venture Capital Fund - 2 at the face value of ₹ 10/- per share with the total purchase consideration of ₹ 1 lakh. Post acquisition, the company holds 70% in equity share capital of Rt4u.
- 43.4 The Company has invested an aggregate sum of ₹ 350 lakhs (₹ 585 lakhs) in the preferential allotment of Compulsorily Convertible Preference Shares issued by Rt4u.

Notes forming part of the Consolidated Financial Statements

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₹ Lakhs

44. Disclosure of additional information as required by Schedule III:

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share of profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent : Rane Holdings Limited	43.65%	45,952	-485.36%	5,082	-15.52%	283	-186.85%	5,365
Subsidiaries								
Indian								
1. Rane (Madras) Limited - Consolidated	17.47%	18,388	434.65%	(4,551)	67.13%	(1,225)	201.14%	(5,776)
2. Rane Engine Valve Limited	10.54%	11,099	156.06%	(1,634)	-0.06%	1	56.87%	(1,633)
3. Rane Brake Lining Limited	21.74%	22,882	-328.04%	3,435	2.50%	(46)	-118.03%	3,389
4. Rane t4u Private Limited	0.70%	736	65.78%	(689)	-0.30%	6	23.80%	(683)
Foreign								
1. Rane Holdings America Inc.	0.15%	156	-1.98%	21	-0.68%	12	-1.15%	33
2. Rane Holdings Europe GmbH	0.03%	35	-0.48%	5	-0.12%	2	-0.25%	7
Non-controlling interests	21.89%	23,044	74.04%	(775)	41.41%	(755)	53.31%	(1,531)
Joint Ventures (Investment as per the equity method)								
Indian								
1. Rane TRW Steering Systems Private Limited			-158.51%	1,660	5.79%	(106)	-54.12%	1,554
2. Rane NSK Steering Systems Private Limited			138.47%	(1,450)	-0.15%	3	50.40%	(1,447)
Consolidation Adjustments	-16.16%	(17,017)	205.37%	(2,150)	-	-	74.89%	(2,150)
Total	100.00%	1,05,275	100.00%	(1,047)	100.00%	(1,824)	100.00%	(2,872)

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

45. Earnings Per Share

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit After Tax attributable to the owners - ₹ Lakhs	(272)	10,373
Weighted Average Number of Shares - Basic & Diluted	1,42,77,809	1,42,77,809
Earnings Per Share of ₹ 10/- each - Basic & Diluted - In ₹	(2)	73

46. Financial Instruments

46.1 Capital management

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Group.

The Group's capital management is intended to create value for shareholders by achieving the long term and short term goals of the Group, maintain the Group as a going concern and maintain optimal structure.

The Group determines the amount of capital required on the basis of annual operating plan coupled with long term and strategic investment and expansion plans. The funding needs are met through cash generated from operations, long term and short term bank borrowings and issue of non-convertible debt securities as and if the need arises.

The capital structure of the Group consists of net debt (borrowings offset by cash and bank balances as detailed in notes 20 and 16.a.) and total equity of the Group.

The Group monitors the capital structure on the basis of debt to equity, debt to capital employed etc. and the maturity profile of the overall debt portfolio 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 Company is not subject to any externally imposed capital requirements.

46.2 Gearing ratio

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

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Debt *	63,275	57,667
Cash and cash equivalents	(5,927)	(3,560)
Net debt	57,348	54,107
Total Equity**	1,05,275	1,11,988
Net debt to equity ratio (in times)	0.54	0.48

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

** Equity includes all capital and reserves of the Group that are managed as capital.

46.3 Categories of financial instruments

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets Measured at cost		
(a) Mandatorily measured:		
Equity investments	215	215
Derivative instruments	-	-
Mutual fund investments (quoted)	416	155
(b) Designated as at FVTPL		
Measured at amortised cost		
(a) Trade Receivables	35,952	47,996
(b) Cash and cash equivalents	5,927	3,560
(c) Bank balances other than above	105	99
(d) Other financial assets	7,366	6,419

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

Particulars	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Measured at fair value through other comprehensive income (FVTOCI)		
(a) Investments in equity instruments designated upon initial recognition	2,195	1,868
(b) Fair value derivative hedging receivable	-	-
Financial liabilities		
Measured at amortised cost		
(a) Borrowings	63,275	57,668
(b) Trade Payables	32,889	38,458
(c) Other Financial Liabilities	5,442	5,766
Measured at FVTPL		
Derivative Instruments	459	27

46.3.1 Fair value of financial assets measured at FVTPL and FVTOCI (Refer 46.3):

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019	Fair Value Hierarchy (Level 1,2,3)*	Valuation Technique
Financial assets				
a. Mutual fund Investments (quoted)	416	155	1	Fair value is determined based on Net Assets Value published by respective funds
b. Derivative investments (forward contracts)	-	-	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
c. Equity investments measured at FVTPL	215	215	3	Equity investments are carried at value as on the date of transition. The fair value of the same is based on price of prior transactions. The said investment has subsequently been transferred at its carrying value during the financial year 2019-20. Accordingly, disclosure of the sensitivity of fair value measurement in unobservable inputs is considered not relevant. Other than the effect of disposal as stated above, there are no other changes in the fair value of such investments.
d. Investments in equity instruments designated upon initial recognition	2,195	1,868	3	Fair value is determined based on valuation report as per discounted cash flow method provided by external valuer.
Total	2,826	2,238		
Financial liabilities				
a. Fair value Derivative Hedging liability	459	27	2	Fair value of forward exchange contract and option contract is determined using forward exchange and MTM rates at the reporting date respectively.
Total	459	27		
Net financial assets / (liabilities)	2,367	2,210		

* Fair Value Hierarchy (Level 1,2,3)

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

Level 1: Inputs are quoted prices (Unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement dates.

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. This is the case for unlisted equity securities and deposits included in level 3.

46.4 Financial risk management

The Group has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk, credit risk, equity price 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 following disclosures summarize the Group'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.

46.4.1 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. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments.

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 and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures.

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

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:

Currency	Foreign currency in lakhs	
	As at 31 March 2020	As at 31 March 2019
Financial Assets		
USD	174	238
EUR	16	10
GBP	1	1
	190	249
Financial Liabilities		
USD	27	70
EUR	5	3
JPY	926	893
	958	965

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

46.5.1 Foreign Currency sensitivity analysis

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 in relation to asset/liability indicates a decrease/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 comparable impact on the profit or equity.

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	2019-20	2018-19	2019-20	2018-19
	₹ Lakhs			
Financial Assets				
Increase/Decrease by 5%				
USD	417	499	282	326
EUR	62	40	40	26
GBP	1	21	1	14
	480	560	323	366
Financial Liabilities				
Increase/Decrease by 5%				
USD	99	213	65	139
EUR	18	2	12	1
JPY	2	6	1	4
	120	221	78	145
Total	360	338	245	222

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.

46.5.2 Derivative Financial Instruments

The Group operates on a global platform and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows, both incoming and outgoing.

The Group holds derivative financial instruments such as foreign currency forward and option 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 and option contracts to cover specific foreign currency payments and receipts within a specific range. 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 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	₹ Lakhs	
	As at 31 March 2020	As at 31 March 2019
Buy USD		
Less than 3 months	248	301
Later than 3 months but upto 6 months	406	922
Later than 6 months but not later than 1 year	-	-
Total	654	1,223

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Sell USD		
Less than 3 months	2,749	-
Later than 3 months but upto 6 months	2,365	210
Later than 6 months but not later than 1 year	4,486	-
Total	9,600	210

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Buy JPY		
Less than 3 months	608	1,364
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
Total	608	1,364

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Buy Euro		
Less than 3 months	13	-
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
Total	13	-

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Sell Euro		
Less than 3 months	596	94
Later than 3 months but upto 6 months	463	95
Later than 6 months but not later than 1 year	1,560	-
Total	2,619	189

₹ Lakhs

Particulars	As at 31 March 2020	As at 31 March 2019
Sell GBP		
Less than 3 months	17	28
Later than 3 months but upto 6 months	-	-
Later than 6 months but not later than 1 year	-	-
Total	17	28

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance in cash flow hedge reserve are expected to occur and reclassified to revenue in the Statement of Profit and loss within 3-12 months.

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instruments, including whether the hedging instruments is expected to offset changes in cash flows of hedged items.

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If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

The reconciliation of cash flow hedge reserve for the year ended March 31, 2020 is as follows :

Particulars	₹ Lakhs
	As at 31 March 2020
Balance at the beginning of the year	-
Gain/loss recognised in other comprehensive income during the period	(429)
Tax impact on above	150
Balance at the end of the year	(279)

46.6 Other price risks

The Holding company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The company doesn't actively trade these investments.

46.6.1 Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If the fair value had been 5% higher/lower profit for the year ended 31 March 2020 would increase/decrease by ₹ 109.75 Lakhs (₹ 93.39 Lakhs) as a result of the changes in fair value of equity investments which have been irrevocably designated as at FVTOCI

46.7 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. Credit risk arises from cash and cash equivalents, investments carried at cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

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. Credit risk arising from investment in mutual funds, derivative financial instruments, cash and cash equivalents, investment in deposits carried at cost and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

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

46.7.1 Expected credit loss for loans, security deposits and investments

The credit risk on derivative financial instruments is limited because the counterparties are banks with high credit-ratings.

46.7.2 Expected credit loss for trade receivables under simplified approach

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 > 120 days over a rolling period of past 24 months ; b) Past trend of the actual amount of bad debts written off over a rolling period of past 24 months and c) actual amount of outstanding receivables greater than 120 days as on the reporting date. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due ranges between 0% and 34%.

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

(i) Movements in allowance for credit losses of receivables is as below ₹ Lakhs

Particulars	As at	
	31 March 2020	31 March 2019
Balance at beginning of the year	1,455	850
Charge in statement of profit and loss	(121)	611
Foreign exchange adjustment	5	-
Amount written off during the year	(172)	(6)
Balance at the end of the year	1,167	1,455

46.7.3 Collateral held as security and other credit enhancements

The Group does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

46.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the respective board of directors, which has established an appropriate liquidity risk management framework for the management of the respective company's short-term, medium-term and long-term funding and liquidity management requirements. The Group 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.

46.8.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative 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 Group can be required to pay. The tables include 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 31 March 2020

Particulars	As at 31 March 2020				
	As at 31 March 2020		1-5 year	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year			
Borrowings	53,522	27,708	25,814	-	53,522
Interest on borrowings	201	201	-	-	201
Current Maturities of long term debt	9,753	9,753	-	-	9,753
Trade Payables	32,889	32,889	-	-	32,889
Other Financial Liabilities	5,700	4,894	806	-	5,700
Total	1,02,065	75,445	26,620	-	1,02,065

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at 31 March 2019

Particulars	As at 31 March 2019				
	As at 31 March 2019		1-5 year	5 or more years	Total contractual cash flows
	Carrying amount	Less than 1 year			
Borrowings	50,083	30,761	19,322	-	50,083
Interest on borrowings	251	251	-	-	251
Current Maturities of long term debt	7,585	7,585	-	-	7,585
Trade Payables	38,458	38,458	-	-	38,458
Other Financial Liabilities	5,543	4,719	824	-	5,543
Total	1,01,919	81,773	20,146	-	1,01,919

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

46.9 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

46.9.1 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Particulars	₹ Lakhs			
	Level 3			
	As at 31 March 2020		As at 31 March 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at amortised cost:				
Trade Receivables	35,952	35,952	47,996	47,996
Cash and bank balances	5,927	5,927	3,560	3,560
Bank balances other than above	105	105	99	99
Security deposits	2,278	2,278	2,145	2,145
Interest receivable	139	139	81	81
Other deposits	505	505	506	506
Deposits with Statutory Authorities	3	3	41	41
Claims Receivable	1,021	1,021	1,008	1,008
Loans and advances to employees	14	14	16	16
Rent deposits	89	89	90	90
Margin money Deposits	245	245	93	93
Advance recoverable in cash	29	29	33	33
Rebate of GST on Exports Receivable	168	168	-	-
Duty Drawback Receivable	17	17	37	37
Unbilled revenue	26	26	28	28
Others	6	6	9	9
Total	46,524	46,524	55,742	55,742
Financial liabilities				
Financial liabilities held at amortised cost:				
Borrowings	53,522	53,522	50,083	50,083
Trade Payables	32,889	32,889	38,458	38,458
Current maturities of term loans from banks	9,754	9,754	7,585	7,585
Interest accrued but not due on borrowings	201	201	251	251
Deposits C & F agents	2	2	5	5
Security deposits	51	51	92	92
Unclaimed dividend	104	104	98	98
Trade deposits	-	-	132	132
Employee related	3,151	3,151	3,200	3,200
Payables on purchase of fixed assets	449	449	726	726
Commission payable to Chairman	30	30	144	144
Others	92	92	170	170
Total	1,00,245	1,00,245	1,00,944	1,00,944

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

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

47. Events after reporting date

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, intangible assets, investments, loans, deferred tax assets, inventories, trade receivables, and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements, has used internal and external sources of information including credit reports/ related information and economic forecasts. The Group has performed sensitivity analysis on the assumptions used and based on current estimates expects that the carrying amount of the aforementioned assets will be recovered.

Given the uncertainties associated with nature and duration of the pandemic, the impact of COVID-19 on the Group's financial statement may differ from that estimated as at the date of approval of these financial statements. The Group will continue to monitor future economic conditions and update its assessment.

48. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 24 June 2020.

49. Previous year's figure

The figures for the previous year have been regrouped wherever necessary to conform to current year's classification.

Signature to notes 1 to 49

For and on behalf of the board

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

FORM AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statements of subsidiaries/joint ventures

Part "A": Subsidiaries

1. Sl. No.	2. Name of the subsidiary	₹ Lakhs					
		1	2	3	4	5	6
	Rane (Madras) Limited		Rane Engine Valve Limited	Rane Brake Lining Limited	Rane t4u Private Limited	Rane Holdings America Inc.	Rane Holdings Europe GmbH
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No	No
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.					USD 1USD = ₹ 75.41	EURO 1EURO = ₹ 83.16
5.	Share capital	1,255	672	791	167	20	25
6.	Reserves & surplus	17,133	10,427	22,091	569	186	146
7.	Total assets	92,182	30,252	35,935	2,294	231	174
8.	Total Liabilities	73,794	19,153	13,053	1,558	25	19
9.	Investments	60	94	60	-	-	-
10.	Turnover	1,29,152	35,815	48,143	1,974	644	456
11.	Profit / (Loss) before taxation	(4,453)	(2,529)	4,468	(843)	42	30
12.	Provision for taxation	98	(895)	1,034	(154)	13	9
13.	Profit / (Loss) after taxation	(4,551)	(1,634)	3,434	(689)	29	21
14.	Proposed Dividend	-	-	-	-	-	-
15.	% of shareholding	63.42%	54.82%	46.59%	70.01%	100.00%	100.00%

For and on behalf of the board

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Place: Chennai
Date: 24 June 2020

Notes forming part of the Consolidated Financial Statements

as at and for the year ended March 31, 2020

Part "B": Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Ventures

₹ Lakhs

Name of Joint Ventures	Joint Venture Companies	
	Rane TRW Steering Systems Private Ltd	Rane NSK Steering Systems Private Ltd
	31 March 2020	31 March 2020
1. Latest audited Balance Sheet Date		
2. Shares of Joint Ventures held by the company on the year end		
Number of Shares	43,69,123	87,71,000
Amount of Investment in Joint Ventures	2,332	1,012
Extent of Holding %	50.00%	49.00%
3. Description of how there is significant influence	Note 1	Note 1
4. Reason why the joint venture is not consolidated	Note 2	Note 2
5. Networth attributable to Shareholding as per latest audited Balance Sheet	18,743	12,228
6. Profit / (Loss) for the year		
i. Considered in Consolidation	1,660	(1,450)
ii. Not Considered in Consolidation	1,660	(1,509)

Note 1 : There is significant influence due to percentage (%) of Share Capital.

Note 2 : The results of the Joint ventures are incorporated in the consolidated financial statements using Equity Method of accounting

For and on behalf of the board

Harish Lakshman
Vice Chairman and
Joint Managing Director
DIN: 00012602

Ganesh Lakshminarayan
Chairman and Managing Director
DIN: 00012583

Place: Chennai
Date: 24 June 2020

J Ananth
Chief Financial Officer

Siva Chandrasekaran
Secretary

Annexure to the Report of the Board of Directors

PARTICULARS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

for the Financial Year 2019-20

A. Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Remuneration paid to Directors and Key Managerial Personnel

Name	Designation	Remuneration FY 2019-20 (in ₹ Crs.)	% increase/ (decrease) of remuneration FY 2019-20	Ratio of remuneration of each Director to median remuneration of employees
Mr. L Lakshman	Chairman Emeritus (refer note iii)	1.00	-	-
Key Managerial Personnel				
Mr. L Ganesh	Chairman & Managing Director	3.10	(4)%	39.88
Mr. Harish Lakshman	Vice-Chairman & Joint Managing Director (refer note iv)	0.38	Not comparable	4.89
Mr. Siva Chandrasekaran	Secretary	0.57	(1)%	N.A.
Mr. J Ananth	Chief Financial Officer	0.45	10%	

Note:

- None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof
- Remuneration considered based on annual emoluments and designation as on date
- Remuneration paid to Chairman Emeritus relates to Commission and perquisites and excludes sitting fees and advisory fees
- Mr. Harish Lakshman was appointed as Joint-Managing Director with effect from August 01, 2019 and remuneration mentioned above pertains to perquisite value of furnished housing accommodation provided by the company.

- Median remuneration of the employees of the Company for FY 2019-20 is ₹7.78 Lakhs. Decrease in median remuneration during the year: 2%.
- Number of permanent employees on the rolls of the Company as on March 31, 2020 was 97 and March 31, 2019 was 86.
- Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 6%. As against the percentile decrease in managerial remuneration: 4%. The decrease in managerial remuneration is in line with the auto industry performance.
- It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (Amount in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (in Yrs)	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any Director or Manager (if so, name of Director / Manager)
Mr. L Ganesh	Chairman & Managing Director	3,10,48,054	Permanent	B.Com., ACA, MBA & 42 years	01-Aug-09	66	Chairman & Managing Director - Rane Engine Valve Limited	8.47%	Brother of Mr. L Lakshman

Name	Designation	Remuneration (Amount in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age (in Yrs)	Last employment held	Percentage of equity shares held by the employee in the company	Whether any such employee is a relative of any Director or Manager (if so, name of Director / Manager)
Dr. P A Padmanabhan	Group CFO & President - Finance	1,22,27,660	Permanent	B.Com, FCA, FCMA and FCS & 30 years	17-Aug-18	54	CFO - Zydus Healthcare Limited	0.0017%	-
Mr. R Venkatanarayanan	President - Corporate Services	1,21,93,037	Permanent	B.Sc., PG Dip. in Social Science, MHRM, CIPM & 35 years	17-Mar-07	59	General Manager - Human Resource, Rane Brake Lining Limited	-	-
Mr. Siva Chandrasekaran	Executive Vice President - Secretarial & Legal and Secretary	57,38,938	Permanent	B.Sc, ACS PGDCA & 31 years	01-Jul-05	56	Deputy General Manager - Secretarial Services Rane Brake Lining Limited	0.0008%	-
Mr. S Varadharajan	Executive Vice President - Information Systems	45,07,064	Permanent	BE & 30 years	01-Apr-06	51	Senior Manager - ERP Rane TRW Steering Systems Pvt Limited	-	-
Mr. J Ananth	Vice President - Finance & CFO General	44,90,258	Permanent	B.Sc., ACMA, ACA, ACS & 22 years	17-Jan-13	47	Deputy General Manager - Finance Rane TRW Steering Systems Pvt Limited	-	-
Mr. V Ramasubramanian	Manager - Human Resource	38,33,648	Permanent	B.Com, MSW, MHRM & 20 years	15-Mar-13	44	Associate Director - Talent Attraction Crisil Limited	-	-
Mr. Harish Lakshman	Vice-Chairman & Joint Managing Director	38,10,477 (*)	Permanent	B.E. - BITS Pilani, MSM - Purdue University, USA & 24 years	01-Aug-19	46	Managing Director - Rane TRW Steering Systems Pvt. Ltd.	0.87%	Son of Mr. L Lakshman
Mr. Ashfaq Ahmed Kunjan	Vice President - Information Technology	32,85,091	Permanent	B.Com, PGDBA, ICWA & 29 years	11-Nov-16	52	Senior Member - Diligent Tech India	-	-
Mr.S. Prasad	Deputy General Manager - Chairman's Office	30,51,301	Permanent	BE (Computer Science), PGPM & 17 years	16-Sep-15	38	Associate Member, Crisil India	-	-

1. Includes joint holdings and HUF, if any

2. Mr. Harish Lakshman appointed as Joint Managing Director with effect from August 01, 2019

- (ii) Employed throughout the financial year with remuneration not less than ₹1.20 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**
- (iii) Employees whose remuneration was not less than ₹8.50 lakhs per month (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above): **NIL**
- (iv) Employees whose remuneration was in excess of that of MD / Whole time director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): **NIL**



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