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

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

Rane (Madras) Limited

RML / SE / 34 / 2017-18

September 12, 2017

BSE Limited Listing Centre Scrip Code: **532661**	**National Stock Exchange of India Ltd.** NEAPS Symbol: **RML**

Dear Sir / Madam,

Sub: Annual Report – 2016-17

Ref: Letter No. RML/SE/21/2017-18 dated July 27, 2017

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), we enclose herewith the copy of Annual Report 2016-17 approved by the members of the company at their 13th Annual General Meeting held on Thursday, August 24, 2017.

We request you to take the above on record as compliance under relevant regulations of SEBI LODR and disseminate the same to the stakeholders.

Thanking you.

Yours faithfully,

For **Rane (Madras) Limited**

S Subha Shree
Secretary

Encl: a/a

Dream. Design. Deliver.



Rane (Madras) Limited

13th Annual Report 2016-17

Rane
Expanding Horizons

What's inside?

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Caution regarding forward-looking statements

In this annual report, we have disclosed some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Dream. Design. Deliver.

Creating a dream is not an easy task... so many things we aspire for, so many things to consider. We were at similar crossroads in 2010 after laying a solid foundation of operational excellence. We realized it was time to dream big, it was time to have a laser sharp focus on creating a Decade of Profitable Growth.

When we envision a dream, it seems distant... far away. Even impossible. This is because there is no magic formula to bridge the journey between Dream and Deliver. It is imperative to Design a route that will deliver the dream. We know that it is not a simple task and the route is not a single, long straight path but a road which will require the sweat, determination and hard work of each employee to complete the journey.
The past few years has seen us stepping up the pace on the designed path. Yes, there have been course corrections as we progressed but the early results of our strategy are starting to become visible. It gives us confidence on the direction taken and the course designed to ensure a flawless delivery of profitable growth in the years to come. As we step closer to the Dream, we are confident that the Design is right, further boosting our motivation to keep working hard, and start delivering to all our stakeholders.

The World of Rane (Madras)

Part of the Rane Group, Rane (Madras) Limited (RML) was set up in 1929. The Company had its first manufacturing presence in 1960 with the setting up of the Steering and Linkage Products division. This was followed with the setting up of manufacturing facilities for the Die Casting Products division in 2006.

The Company is a market leader in the Steering and Linkage Products division which manufactures manual steering gears, hydrostatic steering systems and steering and suspension linkage products.

The Die Casting division manufactures low porosity, high-quality aluminium die-castings such as steering housings and engine case covers. In line with its strategy to have a global presence, RML acquired the US-based Precision Die Casting Inc. in 2016. The Company now supplies complex, thin-walled, low porosity, cast and machined aluminum die castings to automotive industry from its manufacturing facility at Russellville, Kentucky, US.

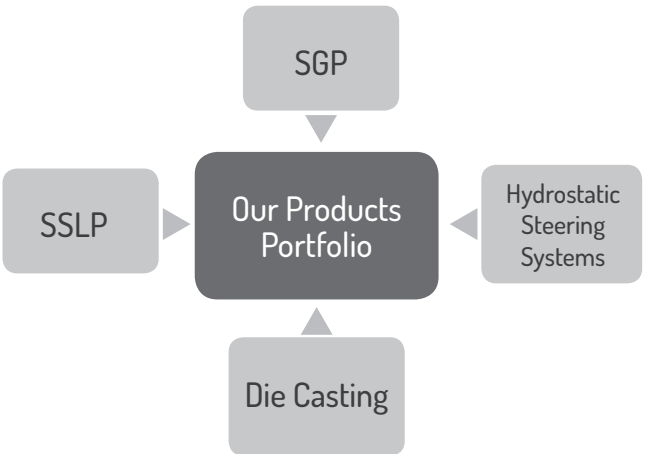
Vision

Steering and Linkages Division

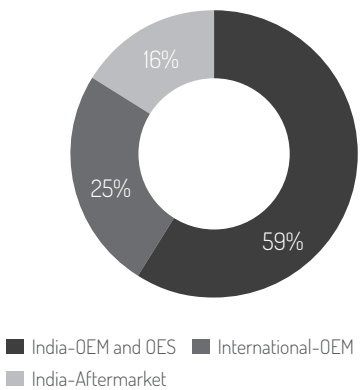
To be the leader in the domestic steering business and establish global presence

Die casting Division

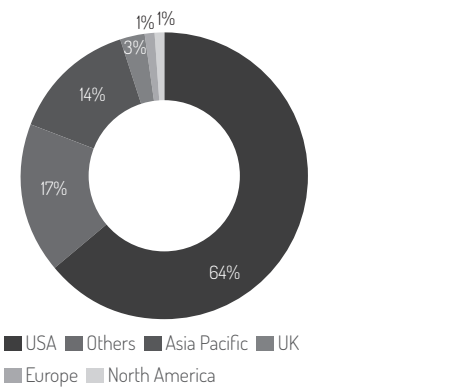
To be a globally preferred supplier of specialized precision light weight components.



Revenue Mix by User Segment (FY17)



Revenue Mix by Geographical Region Segment (FY17)



Key Customers

AISIN Geared up for the future
ASHOK LEYLAND
BHARATBENZ
BRP
DAIHATSU
DAIMLER
EICHER
ESCORTS
IMPAL
JMA
JOHN DEERE
MAGNA COSMA BODY & CHASSIS SYSTEMS
Mahindra
MARUTI SUZUKI
nexteer AUTOMOTIVE
POLARIS
Simplex & Co. Ltd
TAFE
TATA
TOYOTA
ZF TRW

Manufacturing Plants

Locations	Products
Varanavasi (Chennai)	SSLP, SGP
Mysore	SSLP, SGP & Hydrostatic Steering Systems
Puducherry	SSLP, SGP
Uttarakhand	SSLP, SGP
Bollaram (Hyderabad)	Die Casting
Sadasivpet (Hyderabad)	Die Casting
Kentucky (USA)	Die Casting

Quality Accreditation

TS 16949 Indian	Quality Management; all six manufacturing locations in India certified
ISO 14001	Environmental management; all the four Steering and linkages division plants certified
OHSAS 18001	Occupational Health and Safety management: Steering and linkages division plants certified
Deming Prize	Steering and linkages division: Total Quality Management (TQM)
Deming Grand Prize	Steering and linkages division: Excellence in TQM



Rane Diecast Division (Plant 2 Facility), Sadasivpet, Telangana

Financial Highlights

₹ in Crore

Particulars	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Total Income	1,005.30	862.49	779.97	727.51	641.36	673.11	585.46	420.68	353.16	350.82
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	97.37	79.70	69.67	69.16	57.84	62.98	50.39	34.84	19.25	13.15
Profit Before Tax (PBT)	23.67	18.66	16.84	19.68	30.06	37.17	30.83	20.04	1.20	46.74
Profit After Tax (PAT)	18.96	14.09	12.44	16.78	23.42	27.40	24.57	13.81	0.36	36.60
Return on Capital Employed (RoCE) (%)	11.06	9.90	10.61	15.83	17.28	23.70	26.90	19.05	7.54	3.68
Return on Net Worth (RoNW) (%)	11.81	9.46	8.71	12.41	19.11	25.65	27.14	17.99	0.50	61.82
Earnings per equity share (₹)	17.39	12.77	11.20	15.35	23.04	26.95	24.18	13.59	0.36	35.86
Dividend (%)	60.00	45.00	45.00	55.00	70.00	95.00	70.00	45.00	-	60.00
Book value per equity share (₹)	160.50	144.98	138.43	133.41	127.97	113.20	96.99	81.12	69.94	72.11

Balance Sheet Highlights*

₹ in Crore

Particulars	FY17	FY16	FY15	FY14	FY13	FY12
Equity Share Capital	10.51	10.51	10.51	10.51	10.16	10.16
Shareholders' Funds	176.93	160.62	153.73	148.45	130.07	115.06
Non-current Liabilities	137.37	139.67	62.97	49.90	40.79	50.19
Current Liabilities	371.63	312.66	317.33	256.27	190.23	175.78
Non-current Assets	379.42	343.46	300.59	245.12	179.09	165.52
Current Assets	306.50	269.49	233.44	209.51	182.00	175.51

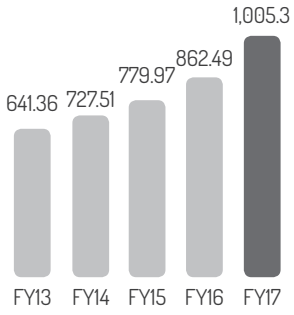
* Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only

Business Highlights

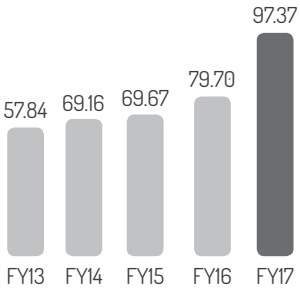
- Added capacity for Rack and Pinion (R&P) steering gears at Varanavasi facility
- Upgraded R&D facilities has boosted in winning export business with customers like Daimler, Volvo for supply of linkages
- The new Die casting plant in Hyderabad aided production resulting in volume growth
- Undertook various measures to improve operational performance of overseas subsidiary company, Rane Precision Die Casting Inc. (RPDC)

Key Performance Indicators

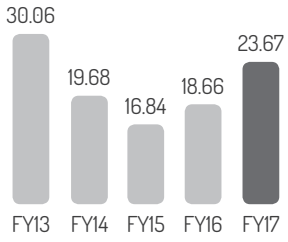
Total Income (₹ in Crore)



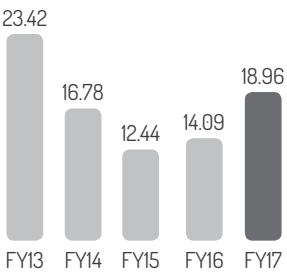
EBITDA (₹ in Crore)



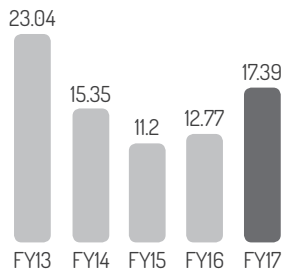
PBT (₹ in Crore)



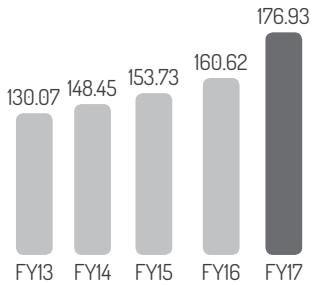
PAT (₹ in Crore)



EPS (in ₹)



Net Worth (₹ in Crore)



Awards & Accolades

- Received Special Appreciation Award for Yuvo project from Mahindra & Mahindra
- Bagged Spare Parts Business Growth Award & Kaizen Award for Painting quality from TAFE
- Won Best support for New Part Introduction and VOR parts Award from Tata Motors



From the Desk of the Chairman

Dear Shareholders,

Fiscal 16-17 was a year of consolidation and laying the foundation for achieving the dream of Decade of Profitable Growth.

As part of the Vision, FY16 saw the acquisition of the US-based Precision Die Casting Inc. In FY17, multiple initiatives to turnaround the Company have been put in place. As part of the Design, it was a year of adding capacities and building capabilities. Our emphasis on R&D has been growing to help us face the future.

The consolidated revenue saw a sharp jump of 37% to clock ₹ 1,171 Crore in FY17, up from ₹ 857 Crore in FY16. Similarly, the EBITDA moved up by 30% to ₹ 100.5 Crore in FY17. While PAT has seen a de-growth, the company is working on bringing in cost control measures to remedy this.

With multiple initiatives, both the Die Casting units in India and the one in US should see improvement in performance. I am confident that as the Customer satisfaction level improves, it will bring in significant new opportunities from existing customers and open doors to new global OEMs and Tier 1 vendors.

The enhanced product development capability and upgraded R&D facilities helped to win the exports business from global OEMs like Daimler, Volvo and Maruti Suzuki in the Indian market. Beyond product enhancement and new product development, R&D continues to work on enhancing cost competitiveness of the Company.

This fiscal saw new capacity creation of the Rack & Pinion Gear in the Varanavasi plant in Tamil Nadu. Further, the newly commissioned second plant for Die casting in Hyderabad has ramped up production.

The Government successfully steered the GST bill and this should lead to other reforms in the country. The economy and the auto industry is poised to do well next year, due to the progressive reforms coupled with normal monsoon, low interest regime and strong rural demand.

On behalf of the Board of Directors of Rane (Madras) Limited, I thank our stakeholders – Employees, Customers, Vendors, Investors, Bankers and Communities – and remain committed and sincere in our efforts to keep delivering ever better value in the years ahead.

Yours Sincerely,

L Ganesh

Chairman



Board of Directors

Mr. L GANESH - *Chairman*
Mr. HARISH LAKSHMAN - *Vice Chairman*
Ms. ANITA RAMACHANDRAN
Mr. L LAKSHMAN
Mr. M LAKSHMINARAYAN
Mr. PRADIP KUMAR BISHNOI
Dr. TRIDIBESH MUKHERJEE

Audit Committee

Mr. M LAKSHMINARAYAN - *Chairman*
Mr. L LAKSHMAN
Dr. TRIDIBESH MUKHERJEE

Stakeholders' Relationship Committee

Mr. L LAKSHMAN - *Chairman*
Mr. HARISH LAKSHMAN
Dr. TRIDIBESH MUKHERJEE

Nomination and Remuneration Committee

Mr. M LAKSHMINARAYAN - *Chairman*
Ms. ANITA RAMACHANDRAN
Mr. L GANESH
Mr. L LAKSHMAN

Corporate Social Responsibility Committee

Mr. L LAKSHMAN - *Chairman*
Ms. ANITA RAMACHANDRAN
Mr. L GANESH

Secretary

Ms. S SUBHA SHREE

Statutory Auditors

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

Secretarial Auditor

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

Registered Office

Rane (Madras) Limited
CIN: L65993TN2004PLC052856
"MAITHRI", 132, Cathedral Road, Chennai - 600 086.
Phone : 044-28112472 Fax : 044-28112449
Email : investorservices@ranegroup.com

Listing of shares with

BSE Ltd., Mumbai
National Stock Exchange of India Ltd., Mumbai

Bankers

Canara Bank, Chennai - 600 002.

DBS Bank Limited, Chennai - 600 002.

HDFC Bank Limited, Chennai - 600 002.

IDBI Bank Limited, Chennai - 600 015.

ICICI Bank, Chennai - 600 018.

Kotak Mahindra Bank Limited, Chennai - 600 002.

Standard Chartered Bank, Chennai - 600 001.

YES Bank Limited, Chennai - 600 002.

Head Office

"GANAPATHI BUILDINGS"
154, Velachery Road, Chennai - 600 042

Plants

1 79/84, Hootagally Industrial Area
Mysuru - 570 018, Karnataka

2 77, Thirubuvanai Main Road
Thirubuvanai Village, Puducherry - 605 107

3 Ambakkam, Varanavasi Village
Varanavasi Post, Kancheepuram - 631 604, Tamil Nadu

4 Plot No.27, Sector 11, Integral Industrial Estate
Pant Nagar, Uttrakhand - 263 153

5 143/A, SV Co-op Industrial Estate
IDA Bollaram, Medak District - 502 325
Telangana

6 Survey No.789/AA, 781, 781/AA, 790/A & 779
Sadasivpet Municipal Limits
Sadasivpet Mandal - 502 291
Medak Dist., Telangana

Registrar & Transfer Agents

Integrated Registry Management Services Private Limited
II Floor, 'Kences Towers',
No.1, Ramakrishna Street, North Usman Road,
T. Nagar, Chennai - 600 017.
Email : corpserv@integratedindia.in

Report of the Board of Directors

Your Directors have pleasure in presenting their Thirteenth Annual Report together with the accounts for the year ended March 31, 2017 and other prescribed particulars:

1. State of Company's affairs

1.1 Financial Performance

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

(₹ in Crores)

Particulars	2016-17	2015-16
Sales and Operating Revenues	1003.31	860.91
Other Income	1.98	1.58
Profit Before Tax (PBT)	23.67	18.66
Provision for tax :		
Current	5.28	4.21
Deferred	0.89	3.11
MAT Credit availed	(1.46)	(2.75)
Profit After Tax (PAT)	18.96	14.09
Surplus brought forward	6.37	6.37
Amount available for appropriation	25.33	20.46

Key performance indicators, operational performance and balance sheet summary are furnished in page nos. 4-5 of this annual report.

The Company recorded a turnover of ₹ 795.49 crores from its steering and linkage products showing an increase of 13 % over previous year. The company achieved a turnover of ₹ 131.40 crores from die casting business recording 38% increase over previous year. The Company also achieved a turnover of ₹ 39.02 crores from its auto parts division . The total turnover of the Company was ₹ 965.91 crores, registering an overall growth of 16% over the previous year.

On a stand-alone basis, the revenue from operations for the financial year 2016-17 was ₹ 1,003.31 crores, which is higher by 17% over the last year (₹ 860.91 crores).

The profit before tax of the Company was ₹ 23.67 crores, representing 2% of the turnover. Earnings per share for the year 2016-17 was ₹ 17.39 as against ₹ 12.77 in the previous year.

There was no material change or commitment, affecting the financial position of the Company between the end of the financial year of the Company and the date of the report other than those disclosed in the financial statements.

There was no change in nature of business during the year. The Company is a subsidiary of Rane Holdings Limited (RHL / Holding company). The Company does not have any associate or joint venture.

Overseas Subsidiaries

Rane Precision Die Casting Inc. (RPDC) USA, is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. During the financial year 2016-17, RPDC recorded a turnover of ₹ 205.77 crores from its operations.

This investment is held through Rane (Madras) International Holdings B.V., The Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS'), incorporated to hold strategic overseas investments of the Company. The WOS has invested USD 2.97 million into the equity capital of RPDC.

As on March 31, 2017, the Company had issued corporate guarantee to EXIM Bank for USD 8 Million and USD 4.8 Million against the lending of EXIM Bank to RPDC and RMIH respectively.

1.2. Appropriation

During the year 2016-17, the board of directors declared an interim dividend of 20% (i.e., ₹ 2.00 per equity share of ₹ 10/- each, fully paid-up) and the same was paid on February 10, 2017 to all the eligible shareholders whose name appeared in the register of members of the Company as on February

3, 2017, being the Record Date fixed for this purpose. The board of directors of the Company at the meeting held on May 16, 2017 have considered and recommended a final dividend of 40% (i.e., ₹ 4/- per equity share of ₹ 10/- each fully paid-up) for approval of the shareholders at the ensuing 13th AGM to be held on August 24, 2017.

The profit available for appropriation is ₹ 25.33 crores. The Board of directors has declared an interim dividend on the Cumulative Preference Shares at the rate of 6.74% per annum for the year 2016-17.

The total dividend amount inclusive of distribution tax and cess surcharge thereon would be ₹ 8.27 crores. The final dividend, if declared by the shareholders, will be paid on August 31, 2017 to all the eligible shareholders whose name appears in the register of members of the Company as on August 17, 2017, being the Record Date fixed for this purpose.

1.3. Management Discussion & Analysis

Your Company is engaged in the manufacturing and marketing of auto components for transportation industry viz., steering and suspension systems, linkage products, steering gear products and aluminium alloy based high pressure die-casting products. A detailed analysis on the performance of the industry, the Company, internal control systems, risk management are enumerated in the Management Discussion and Analysis report forming part of this report and annexed as **'Annexure A'.**

1.4 Consolidated Financial Statements

The Consolidated financial statements of the Company are prepared based on the financial statements of the subsidiary companies viz., Rane (Madras) International Holdings B.V, The Netherlands, Wholly Owned Subsidiary ('RMIH' / 'WOS') and Rane Precision Die Casting Inc., USA, Step Down Subsidiary ('RPDC'/ 'SDS'). The Company has followed the methodology prescribed under applicable accounting standard for consolidation of financial statements of the subsidiary companies i.e., each line item of income, expenditure, assets and liabilities have been consolidated one hundred percent. On consolidation, the assets and liabilities of foreign subsidiaries are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

In terms of Section 136 of the Companies Act, 2013 the Company has not attached the financial statements of the subsidiary companies. However, the salient features of financial statement of the subsidiary companies are disclosed in this annual report. The Company undertakes to make available a soft or hard copy of the financial statement of the subsidiary companies 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 posted in the website of the Company viz. www.ranegroup.com and also kept open for inspection by any investor at the registered office of the Company. The consolidated financial statement presented by the Company, which form part of this annual report, include financial results of the WOS and SDS.

2. Board of Directors

2.1 Composition

The composition of the board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report, as **'Annexure G'**.

During the year, Mr. Pradip Kumar Bishnoi (DIN: 00732640), was co-opted to the board as an additional director (in the category of 'non-executive and Independent Director') with the effect from October 24, 2016, based on the recommendations of Nomination and Remuneration Committee, effective October 24, 2016, till the conclusion of the ensuing Annual General Meeting. The appointment of Mr. P.K. Bishnoy is subject to the approval of shareholders at the ensuing 13th AGM in the first term, effective from October 24, 2016 till the conclusion of 17th AGM, whichever is earlier.

Mr. Harish Lakshman (DIN: 00012602) was elected as Vice-Chairman of the company at the meeting of board of directors, held on May 16, 2017, to guide and advice the Company on business and policy matters along with the Chairman.

Dr. Tridibesh Mukherjee (DIN: 00004777) Mr. M Lakshminarayan (DIN: 00064750) and Ms. Anita Ramachandran (DIN: 00118188) Independent Directors, hold the office of Independent Directors upto the conclusion of the ensuing 13th AGM, pursuant to their appointment in first term, made by the shareholders at the 10th AGM held on July 31, 2014, for a period of three years.

Dr Tridibesh Mukherjee, Independent Director, in view of his attaining the age of retirement as per policy of the Company in the current financial year, has expressed his intention not to seek re-election at the ensuing 13th AGM. The board places on record its appreciation for his valuable contributions to the organisation during his tenure.

Based on the performance evaluation, the Nomination and Remuneration Committee at its meeting held on May 16, 2017, recommended to the board the re-appointment of Mr M Lakshminarayan and Ms Anita Ramachandran as Independent Directors, in the second term, for a period of 5 years viz., from the conclusion of the ensuing 13th AGM till the conclusion of 18th AGM or August 23, 2022, whichever is earlier. The notice convening the 13th AGM contains necessary resolution for their re-appointment for a second term by way of special resolution.

The terms and conditions of appointment of independent directors have been disclosed on the website of the Company and available at http://ranegroup.com/pdf/investors/rml/rmltermsid.pdf.

All 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

2.2 Retirement by rotation

At the ensuing 13th Annual General Meeting (AGM), Mr.Harish Lakshman, Director (DIN 00012602), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the 13th AGM includes the proposal for his re-appointment as director.

2.3 Board Meetings

A calendar of meetings is prepared and circulated in advance to the directors. During the year, **five (5)** board meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between two consecutive meetings was less than 120 days.

2.4 Meeting of Independent Directors

During the year, one separate meeting of Independent Directors was held. In the said meeting, the independent directors assessed the quality, quantity and timeliness of flow of information between the management and the board at the meeting and expressed that the current flow of information and contents were adequate for the board to effectively perform its duties. They also reviewed the performance of the non-independent directors and the board as a whole and the performance of the chairperson of the Company taking into account the views of other non-executive directors.

3. Board and Management

3.1 Board evaluation

During the year, a formal process for annual evaluation of performance of board, its committees and directors individually was carried out as per the criteria laid down by the Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 (CA 2013) and SEBI LODR.

The criteria for evaluation of board and its committees were founded on the structure, composition, board-management relationship, effectiveness in terms of roles and responsibilities and processes encompassing the information flow and functioning. The guiding standards for the assessment of performance of directors (including the independent directors) are their attendance and participation at board meetings, sharing of their relevant domain expertise, networking in other forums, their strategic inputs and demonstration towards governance compliances.

For evaluation of performance of the Chairman additional aspects like institutional image building, providing guidance on strategy and performance, maintaining an effective and healthy relationship between the board and the management were taken into consideration.

The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring that the aspects under each of the laid down criteria are comprehensive and commensurate with the size of the board and the Company. The Nomination and Remuneration Committee, reviews and makes recommendation to the board, from time to time, for ensuring an optimum composition of the Board and its Committees, induction of directors into the Board, participation on the Board effectiveness and evaluation process. The outcome of the evaluation also forms the basis for the Nomination and Remuneration Committee while considering re-appointment of Directors and appointment in various Committee of the Board.

3.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarization programmes to independent directors are available at http://ranegroup.com/ranemadras/rmlinvestors.html

3.3 Key Managerial Personnel

Mr. S Parthasarathy, Chief Executive Officer (CEO), Ms J Radha, Chief Financial Officer (CFO) and Ms. S Subha Shree, Secretary, hold the office of Key Managerial Personnel, respectively within the meaning of Section 2(51) of the Companies Act, 2013.

During the year there was no change in the Key Managerial Personnel (KMP)

3.4 Remuneration policy

The Nomination and Remuneration Committee has laid down a policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP). The same is annexed herewith as **'Annexure – B'.**

4. Audit

4.1 Audit Committee

In terms of the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR, the Audit Committee of the board acts in accordance with terms of reference prescribed therein. Detailed disclosure on compositions, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

4.2 Statutory Auditors

M/s. Deloitte Haskins & Sells (DHS) were appointed as Statutory Auditors at the tenth Annual General Meeting (AGM) held on July 31, 2014, for a period of three years i.e., until the conclusion of the ensuing 13th AGM, subject to ratification by members at every AGM.

Pursuant to the provisions of Section 139, 141 read with Companies (Audit and Auditors) Rules, 2014 and any other applicable provisions of the Act, including rules made thereunder, the Audit Committee at its meeting held on May 16, 2017 has reviewed the proposal to re-appoint DHS as Statutory Auditors of the Company for a second term of five consecutive years commencing from the conclusion of 13th AGM 2017 until the conclusion of 18th AGM (2022) and recommended the same to the board for proposing it to the shareholders at the ensuing 13th AGM.

The Company has received a letter from DHS consenting to the re-appointment and confirmation to the effect that their appointment, if made, would be within the prescribed limits and that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. DHS have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The notice of the ensuing 13th AGM contains necessary resolution in

this regard. Members may consider appointing DHS as Statutory Auditors of the Company as per the provisions of the Companies Act, 2013 till the conclusion of the 18th AGM (2022).

During the year under review, the Auditors have not reported any matter under section 143(12) of the act and therefore no detail is required to be disclose under section 134(3)(ca) of the Companies Act, 2013.

The statutory auditor's report(s) to the members for the year ended March 31, 2017 does not contain any qualification, reservation, adverse remark or disclaimer.

4.3 Cost Audit

Cost audit is not applicable to the Company as per the threshold limits prescribed under Companies (Cost Records and Audit) Rules, 2014. Therefore, the board did not appoint cost auditor to conduct cost audit for the year 2016-17.

4.4 Secretarial Auditors

The Company has appointed M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company. The report on the Secretarial Audit carried out for the year 2016-17 is annexed herewith as **'Annexure C'**. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

4.5 Internal Auditors

The Company continues to engage M/s. Capri Assurance and Advisory Servicies, a firm of independent assurance service professionals, as 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 Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations.

5. Directors' responsibility statement

In terms of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the directors, to the best of their knowledge and belief based on the information and explanations obtained by them, confirm that:

i. in the preparation of the financial statements for the financial year 2016-17, the applicable accounting standards had been followed and there were no material departures;

ii. 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 of the Company for the year under review;

iii. 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;

iv. they had prepared the financial statements for the financial year on a 'going concern' basis ;

v. 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

vi. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

6. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are foreseen 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 proper system for identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the board is uploaded on the Company's website (http://ranegroup.com/pdf/policies/rmlrpt.pdf). None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material, financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

7. Corporate Social Responsibility (CSR)

The vision on Corporate Social Responsibility (CSR) is: "To be a socially and environmentally responsive organization committed to improve quality of life within and outside". The CSR activities of Rane Group focus on four specific areas viz., : (a) Education (b) Healthcare (c) Community Development; and (d) Environment.

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, Director and Ms. Anita Ramachandran, an independent director, as its members. The Annual Report on CSR activities carried out during the year 2016-17 is annexed as **'Annexure D'.** The CSR policy of the Company is available in the Company's website (http://ranegroup.com/pdf/policies/rmlcsr.pdf)

8. Fixed Deposits

The Company had discontinued accepting or renewing the fixed deposits with effect from April 1, 2014 and has not accepted deposits falling within

the ambit of Chapter V, Section 73 of the Companies Act, 2013. Pursuant to the order of Company Law board (CLB) dated September 16, 2015 , the company has repaid all the outstanding deposits and interest thereon during the year and there are no outstanding deposits / interest, as on March 31, 2017. The Company has not defaulted in repayment of any fixed deposits or any interest thereon.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **'Annexure E'.**

10. Particulars of Directors, Key Managerial Personnel 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, Key Managerial Personnel (KMP) and Employees of the Company are provided in the Annual Report is annexed herewith as **'Annexure F'.**

11. Corporate Governance Report

Your Company has complied with the corporate governance requirements pursuant to Regulation 34 and schedule V of SEBI LODR. Detailed report on the compliance and a certificate by the Statutory Auditors forms part of this report as **'Annexure G'.**

12. Other disclosures

a) 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.

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

c) There was no significant/material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

d) The details forming part of the extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith as **'Annexure H'.**

e) 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.

f) 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 mechanism across the Company. There was no case reported during the year under review through this mechanism.

For and on behalf of the Board

Chennai	**Harish Lakshman**	**L Ganesh**
May 16, 2017	Vice-Chairman	Chairman

Annexure A to the Report of the Board of Directors

Management Discussion and Analysis

Overview

The Company manufactures steering & suspension linkage products, steering gear products and high precision aluminium die casting products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles and farm tractors in India and exports the same to many customers across the globe. The Company operates predominantly in a single reportable segment viz., components for the transportation industry.

Industry structure, developments and performance

During the financial year 2016-17, the domestic industry witnessed a positive growth in all segments. From an overall industry perspective, the Passenger Car and Utility Vehicle segment registered a positive growth with new launches especially in Utility Vehicle segment. Migration trend to Utility Vehicle segment from Passenger Car segment continues.

The growth in Medium & Heavy Commercial Vehicle (M&HCV) segment was muted at 0.4%. During the first half of the year, the replacement demand started to wane as the core sectors such as mining, infrastructure were stagnating. In the second half of the year, demonetization had negative impact to the M&HCV segment, drying up the sales for at least 3 months. The Light Commercial Vehicles segment fared better in the Commercial Vehicle segment with a growth of 6%.

After de-growth for consecutive years in 2014-15 and 2015-16, Farm Tractor segment recovered strongly with a growth of 21.1% in 2016-17. This was supported by normal monsoon and favourable sentiments which was enough to offset impact of demonetization.

Industry Growth

During the year under review, the volume growth in automotive industry is as given below:-

Industry Segment (Production figures)	Growth in % (YoY change)	
Vehicles	**2016-17**	**2015-16**
Passenger Cars	5.4	4.0
Utility Vehicles	26.3	13.7
Vans	(0.6)	5.6
Passenger Vehicles	**9**	**6**
Medium & Heavy Commercial Vehicles	0.4	27.0
Light Commercial Vehicles	6.0	9.6
Small Commercial Vehicles	2.7	(10.3)
Commercial Vehicles	**3**	**12**
Farm Tractors	21.1	(6.8)

Source: Society of Indian Automobile Manufacturers

Domestic Market

The Company's sales witnessed 14% increase in the domestic market. The steering gear products registered a good growth of 18% in this year. This was driven primarily by the new programs for passenger cars and additional volumes in the existing programs.

Performance in the Farm Tractors segment is subdued mainly due to superior growth in unserved markets (power steering). The Company has made significant progress in addressing this market and several new customers have been added to the Company's portfolio. The Company's growth in all other segments has been on par with the market or better than the market.

The domestic Die Casting business grew substantially as compared to 2015-16 due to commencement of supplies to the new programs. The new die casting plant ramped up production significantly. This division also commenced supply of engine related components for the Passenger Car segment directly to Toyota and through Aisin for TATA and Mahindra.

Indian Aftermarket business was impacted by demonetization.

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

(₹ in Crores)

Products	2016-17	2015-16	Growth in %
Steering Gear Products	350.86	296.16	18
Suspension and Linkage Products	291.21	279.23	4
Hydraulic Products	19.35	20.41	(5)
Die Casting Products	25.66	13.78	86
Other Automotive Parts	35.44	30.06	18
Total	**722.52**	**639.64**	**13**

The break-up of domestic sales between OEM and Aftermarket is given below:

(₹ in Crores)

Market	2016-17	2015-16	Growth in %
OEM & OES	572.11	495.31	16
Aftermarket	150.41	144.33	4
Total	**722.52**	**639.64**	**13**

Exports

The Steering gear and linkage business continued to grow and have won new business in North America and Europe.

The Die casting business experienced an increase in Export sales with the commencement of new programs through Tier 1 for customers in North America and Europe. Three new programs have been launched/ramped up during the current year.

The break-up of the export sales is given below:

(₹ in Crores)

Products	2016-17	2015-16	Growth in %
Suspension Linkage Products	54.97	49.86	10
Steering Gear Products	79.09	58.31	36
Die Casting Products	105.75	81.31	30
Other Automotive Parts	3.58	0.25	1332
Total	**243.39**	**189.73**	**28**

Operational and Financial Performance

Financial Review

Standalone Financial Highlights

- Revenue from Sale of Products increased by 16% to Rs.965.91 Crores in FY 2016-17 from Rs.829.37 Crores in FY 2015-16
- EBITDA increased by 26% to Rs.97.37 Crores in FY 2016-17 from Rs.77.00 Crores in FY 2015-16
- PAT increased by 35% to Rs.18.96 Crores in FY 2016-17 from Rs.14.09 Crores in FY 2015-16

The Company achieved a growth of 16% over the previous year on sale of products.. The Company continues to experience inflationary pressures in its input costs such as labour, power rates etc. The Company implemented stringent cost control measures and also initiated various cost reduction projects in variable cost to offset the impact of the cost escalation.

Consolidated Financial Highlights

- Revenue from Sale of Products increased by 37% to Rs.1170.81 Crores in FY 2016-17 from Rs.856.79 Crores in FY 2015-16
- EBITDA increased by 30% to Rs.100.45 Crores in FY 2016-17 from Rs.77.39 Crores in FY 2015-16
- PAT declined by 61% to Rs.4.96 Crores in FY 2016-17 from Rs.12.67 Crores in FY 2015-16

Operations and Manufacturing Review

As part of risk mitigation strategy, Rack & Pinion Gear manufacturing activity which was hitherto carried out only in Puducherry plant, was also commenced in Varanavasi Plant. Building expansions were carried out in Varanavasi plant along with capacity creation and the Rack and Pinion Gear was successfully productionized in Varanavasi plant, within a short time of six months.

The new products launched includes, supply of gears to Volkswagen, Maruti Suzuki in the domestic segment and to Nexteer and BRP in the export segment.

The Company's efforts in enhancing the Hydraulic business is progressing in the right direction. It has got breakthrough with few new customers, increased the share of business with existing customers and further, is in advanced stage of product acceptance with other potential customers.

There is a constant evaluation of in-house vs outsourcing decision in order to optimize capital expenditure.

The operations management continued to engage in various lean productivity measures as well as other productivity improvement and cost reduction projects.

The Company is constantly focusing on enhancing product development capability to meet the customer requirements by investing and upgrading the facilities in its R&D function which has helped in winning export business with customers such as Daimler and Volvo for supply of Linkages.

The newly commissioned second plant of Die Casting Division in Hyderabad has ramped up production. This plant was built to handle the future expansion plans of the Die casting business. The continued traction in this division was supported by ramp up in production volumes at the new plant. However, the new plant experienced delivery issues and higher rejections in the new program launches. This neutralized the benefits of volume growth and impacted the bottom line. The Company is confident of resolving the teething problems and putting itself on an even keel.

Rane Precision Die Casting (RPDC)

The turnaround of operational performance of Rane Precision Die Casting Inc. (RPDC), the newly acquired overseas entity in Kentucky, USA is progressing as per schedule. As part of the rehabilitation process, RPDC

- Implemented a "Get Well" plan to stabilize and improve operations. Key pieces of equipment, die casting tooling were refurbished or replaced as appropriate
- Refinanced the loans from its existing bankers through Export Import Bank of India
- Entered into a new contract with the union for 3 years

With the above changes, RPDC has improved the customer satisfaction levels and is also receiving significant new opportunities from existing customers.

Pursuit of business excellence

The Company continued to focus on the 'Business Excellence Model' which was built on the strong foundation of existing TQM practices. By demonstrating achievement of various parameters under this model, the Company has communicated to all its stakeholders that business excellence is a continuous journey and not a mere destination. The Company is constantly striving to re-engineer its business processes and systems in an attempt to shift from meeting customer satisfaction to seeking customer delight.

The Company has won the following awards from customers:

- Mahindra & Mahindra – Special Appreciation award for Yuvo project
- TAFE – Spare Parts Business Growth Award
- TAFE – Kaizen award for Painting quality
- Tata Motors Limited – Best support for New Part Introduction and VOR parts award

Outlook

With positive sentiments in the political / economic environment, Indian economy is poised to grow at 7% GDP levels, further cascading the growth in the automotive industry. A fast growing economy, rising per capita income, easy access to finance, low penetration of cars and a major thrust

on Infrastructure are some of the key positive trends which continues in favour of our Company.

The industry awaits the implementation of Goods and Services Tax (GST), which is anticipated to be largely positive for the economy and automotive sector over the long term. However, there is uncertainty in the short term during the transition phase with respect to the likely tax rates, adaptation across the value chain and readjustment of demand.

Given the overall positive environment for the new fiscal for Indian automotive sector, the Company expects to grow through new businesses won in Passenger Car segment and Hydraulics. After Market and Exports will continue to be a focus area for driving growth.

The following additional initiatives are being undertaken as a way forward:-

- Expanding the die-casting portfolio to Europe and identifying new domestic customers
- Becoming a significant player in Hydraulics
- Pursuing new customers for Steering Gears and achieving breakthrough in Ball joints in the exports segment
- Expanding the After Market product range beyond the current product portfolio

Opportunities & Threats

As part of its annual Strategic Business Plan review, the Company carries out a Strengths, Weakness, Opportunities and Threats (SWOT) analysis and draws out action plans to leverage on its opportunities and counter its threats.

The Company's main strengths are:

- A strong focus on customer requirements and the willingness to look beyond the stated needs of the customers.
- Ability to independently design and validate the products.
- A well-established Total Quality Management (TQM) culture across all the functions
- A network of competent vendors

The main threats to which auto component industry is exposed to are:-

- Unceasing cost reduction demand from OEMs imposing pressure on operating margins.
- Volatility of commodity prices affecting the input costs structure.
- Fluctuations experienced in the forex market.
- Weak economic expansion in some of the developed countries.
- Risk for Export business to North America due to the current political climate encouraging "Buy American and Hire American".

Internal Control Systems

The Company has put in place 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 outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management approve the annual internal audit plan. The scope also covers Internal Financial Controls and Internal Controls. over Financial Reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures (interim actions as well as permanent measures) are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy. The Company, as part of its journey on continuous improvement, bench marks with peers and also identifies areas/activities for converting from a manual process to an automated process in order to eliminate human dependency.

Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The detailed matrix mapping various types of risks along with their respective controls is reviewed on a periodic basis. 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 years' experience, probability of occurrence, probability of non-detection and its impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with risk mitigation plan to the Board of Directors on a half-yearly basis. The strategic risks are considered while shaping the annual planning process. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. 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 Company level is carried out and presented to the Board of Directors once in two years for their review.

Human Resource Development and Industrial Relations

In the year 2016-17, the Company had extensively focused on leadership development, revamping the performance management system, employee engagement and leveraging technology.

With a view to enhancing the manufacturing capability, a comprehensive long term initiative christened as Rane Manufacturing Systems Professional (RMSP) is being rolled out. RMSP comprising of modules on manufacturing processes and systems will be delivered at the plants with high focus on Gemba learning.

One of the major initiatives was the launch of the next version of Performance Assessment & Development System (PADS 6.0), which lays emphasis on both performance assessment and potential appreciation. The refreshed leadership competencies, the structured individual development plan, the suite of resources and tools provided as part of the application are the hallmarks of refreshed PADS.

As part of the continuing executive education initiatives, the Company encourages promising talents to pursue higher education in both technical and management disciplines. The Company has tied up with various institutions on a pan India basis.

The Company continues to strengthen its leadership bandwidth in line with the growth aspirations. For the High Potential Leadership Development (HPLD) group, the Company had rolled out the TOP GEAR (Transforming Organization & Profitability through Growth, Engagement, Actions and Results) program. Five participants attended this 6 day program covering

the themes of Business Focus, Customer Centricity, Self-leadership, Execution Excellence and Leading people. TOP GEAR was designed and delivered in partnership with one of the reputed B-Schools. For the Executive Leadership Development group, the interventions were need specific such as coaching engagements and nominations to general management programs to provide them global perspectives on evolving business models, strategy and execution.

The Company has introduced automated workflows and mobile applications for various aspects of employees' benefits administration such as time & attendance management, reimbursements and such other processes.

Swachh Bharat initiative was carried out across locations wherein employees volunteered in cleaning neighbourhood parks, schools, roadways etc. "Joy of Living" initiative was conducted across locations that focused on key themes that include self-appreciation, inner engineering for well-being and the art of collaboration with co-workers to achieve larger purpose. A series of focused workshops facilitated by subject matter experts were organized for women on the importance of health and hygiene.

Long term wage settlements with employees union were signed in one of the plants during the year. The industrial relations were generally cordial in all the plants.

Corporate Social responsibility (CSR)

The Company has been contributing to society through needs identified in the local villages surrounding the plants.

We have provided educational support for poor children in and around the community through infrastructure development to the local Government schools such as renovation of sanitation facility, installation of RO water facility, water lines and health to local community by organising health camps like general health check-up, eye camp & dental camp etc.

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

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

The policy on criteria for appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) are as follows:

Criteria for Appointment

The appointment, re-appointment, determining qualifications, positive attributes and independence of a director are based on the following criteria:

- Academic accomplishments
- Professional experience
- Experience in other boards
- Industry relevance and experience
- Technical / functional domain expertise
- Diversity
- Global exposure
- Governance experience
- Professional network
- Association with professional forums / academic institutions
- Independence
- Innovation
- Cultural fit

The appointment of KMPs and SMPs are based on the following criteria:

- Possession of relevant educational qualifications and certifications
- Possession of the functional / domain competencies at appropriate level as assessed by the selection panel
- Evidence of required leadership competencies as per the leadership competency model, as assessed by the selection panel
- Clear background verification report
- Reference check inputs

Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed to attract, motivate, and retain talented employees who drive the company's success and it 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.

The Nomination and Remuneration Committee recommends policy on the remuneration of Directors, KMP and Senior Management. The approval of shareholders is obtained, wherever necessary.

Non- Executive Directors

Non-Executive Directors are entitled to receive remuneration by way of fees for attending the meetings of the Board or Committee thereof, within the overall limits prescribed under the Companies Act, 2013 and rules thereunder.

A Non-Executive Chairman may receive commission within the overall limits prescribed under the Companies Act, 2013 and rules thereunder, if any, approved by the shareholders and the Board on such terms and conditions, taking into consideration the overall performance of the Company and the contributions of Chairman.

Executive Directors (Managing Director / Whole Time Directors), Chief Executive Officers (CEOs) and Manager under Companies Act, 2013, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

Executive Directors are entitled to receive remuneration as approved by the shareholders and the Board and subject to the overall limits prescribed under the Companies Act, 2013 or rules thereunder.

The remuneration structure of the executive directors, CEO or Manager, KMPs and SMPs are broadly divided into fixed and variable component, which ensures that relationship of remuneration and performance benchmarks is clear, there exists a balance between fixed and incentive pay and the same reflects short and long-term performance objectives appropriate to the working of the company and its goals. The fixed compensation shall comprise of salary, allowances, perquisites, amenities and other components. The variable component of the remuneration is based on the performance of the individual in achieving superior operational results and to align employees with the organizational vision and growth strategies with a view to motivate them to achieve best results.

Annexure C to the Report of the Board of Directors

Secretarial Audit Report for the financial year ended March 31, 2017

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 (Madras) Limited,
(CIN: L65993TN2004PLC052856)
"Maithri" 132, Cathedral Road,
Chennai - 600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE (MADRAS) LIMITED (hereinafter called "the Company") during the financial year from April 1, 2016 to March 31, 2017** ("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 verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms/ returns filed and compliance related action taken by the Company during the year as well as after March 31, 2017 but before the issue of this report;

(ii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel of the Company and taken on record by the Board of Directors; and

(iii) The representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

In our opinion, during the audit period covering the **financial year ended on March 31, 2017,** the Company has complied with the statutory provisions listed hereunder and also 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 hereby report that:

1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions/ clauses of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) Companies Act, 1956 and the rules made thereunder.

(iii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

(iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and

(e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

(vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings (FEMA).

(viii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India.

1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2017 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

(i) **Complied with** the applicable provisions/ clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraphs 1.1.(i) to 1.1.(vi) above; and

(ii) **Generally complied with** FEMA mentioned under paragraph 1.1.(vii) above: and

(iii) **Complied with** the Secretarial Standards mentioned under paragraph 1.1.(viii) above to the extent applicable to Board meetings and General meetings.

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

(i) The Company was not required to comply with the following laws/ guidelines/ regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/ returns under:

(a) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(b) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(d) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(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 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The re-appointment of the retiring director that took place during the period under review was carried out in compliance with the provisions of the Act.

2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings with the consent of the Board being duly obtained as required under the Secretarial Standards.:

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

(ii) Additional subjects/ information 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. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

3. Compliance mechanism

We further report that:

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

4. Specific events/ actions

We further report that:

4.1 During the audit period there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

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

K Sriram,
Partner
Membership No: F6312
Certificate of Practice No: 2215

Chennai
May 16, 2017

Annexure – A to Secretarial Audit Report of even date

To
The Members of
Rane (Madras) Limited,
(CIN: L65993TN2004PLC052856)
"Maithri" 132, Cathedral Road,
Chennai - 600086

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2017 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. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2017 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion obtained as being in compliance with law.

5. 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.

6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

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

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

K Sriram,
Partner
Membership No: F6312
Certificate of Practice No: 2215

Chennai
May 16, 2017

Annexure D to the Report of the Board of Directors

Annual Report on CSR activities

(for financial year 2016-17)

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. RML'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:

1. Education
2. Health Care
3. Environment and
4. Community Development

The policy on CSR recommended by CSR Committee was approved and adopted by the board of Directors and the same is available on the website of the Company (web link: http//www.ranegroup.com/pdf/policies/rmlcsr.pdf)

Overview of projects implemented during 2016-17

- Contributed fund towards Rane Foundation for the promotion of education.\
- Infrastructure support for students in Government schools near and around the company viz., sanitation facilities, installation of RO facility, water lines, etc.
- Helping the local community by adopting orphanage children for overall development.
- Help local tuition centre which offers free tuition to needy students.
- Health care to local community around the plants by conducting various medical camps like General Health Check Up, Eye Camp & Dental Camp
- Focus on Health Care for HIV infected kids at Desire Society.

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 RML is headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Working Committee of the Company to act on their behalf.

The members of the CSR committee are:

Board CSR Committee	RML CSR Committee
Mr. L Lakshman Promoter & Non-Executive Director Committee Chairman	**Ms. Gowri Kailasam & Mr. D Sundar** Business Heads
Mr. L Ganesh Promoter & Non-Executive Director	**Ms. J Radha** Chief Financial Officer
Ms. Anita Ramachandran Non-Executive & Independent Director	**Mr. TA Dayalan** General Manager – Human Resource

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

₹ in Crores

Particulars	2013-14	2014-15	2015-16
Net profit for the year (PAT)	16.78	12.44	14.09
Adjusted Net profit (as per section 198)	29.74	20.49	20.98
Average Net profit		23.74	

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 48.60 lakhs

5. Details of CSR spent during the financial year.

a) Total amount to be spent for the financial year: ₹ 48.60 lakhs
b) Total amount spent for the financial year: ₹ 48.84 lakhs
c) Amount unspent, if any; Nil

d) Manner in which the amount spent during the financial year is detailed below.:

Sl. No.	CSR Activity	Sector in which the project is covered	Project or programs location 1. Local area or other 2. District (State)	Amount outlay - project or program wise (budget) (in ₹)	Amount Spent- Subheads Direct (in ₹) / Overheads (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent: (in ₹) Directly or through an implementing agency
1	Education	Promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled persons.	1) Other 2) Trichy (Tamil Nadu)	39,00,000	39,00,000	39,00,000	Through Rane Foundation-39,00,000
2		Providing end to end financial support to strenghten the education among orphanage children by adopting five Children	1) Other 2) Mysuru (Karnataka)	1,00,000	1,00,000	40,00,000	Implementing Agency – 1,00,000 Jana Jagruthi Rural Development Society, #29, 11th Cross, 1st Main Road, BM Shree Nagar, Metagalli, Mysuru - 570 016 (Registered Trust)
3		Improving the quality of education to the local people by contributing to Madagadipattu Tuition Centre, which provides free tuition to the needy people.	1) Local (Thirubhuvanai) 2) Puducherry	30,000	24,000	40,24,000	Direct – 24,000
4	Community Development	Toilet Repair & Maintenance work done at Rampura Government Primary School, Rudrapur as many students use the external environment for that purpose.	1) Local 2) Pant Nagar (Uttrakhand)	15,000	8,000	40,32,000	Direct – 8,000
5		Safety Awareness Campaign - on wearing helmet to the local community people	1) Local (Thirubhuvanai) 2) Puducherry	10,000	10,500	40,42,500	Implementing Agency – 10,500 Jana Jagruthi Rural Development Society, #29, 11th Cross, 1st Main Road, BM Shree Nagar, Metagalli, Mysuru - 570 016 (Registered Trust)
6	Health care & Nutrition Programs	Renovated toilet facility, drinking water line facility at the at Thirubuvanai village Government school	1) Local (Thirubhuvanai) 2) Puducherry	70,000	68,085	41,10,585	Direct-68,085
7		Installation of RO plant - to provide drinking water facility to the primary school children at Koorgali	1) Other 2) Mysuru (Karnataka)	1,00,000	1,00,000	42,10,585	Direct – 1,00,000

Sl. No.	CSR Activity	Sector in which the project is covered	Project or programs location 1. Local area or other 2. District (State)	Amount outlay - project or program wise (budget) (in ₹)	Amount Spent- Subheads Direct (in ₹) / Overheads (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent: (in ₹) Directly or through an implementing agency
8	Healthcare	Improving the nutritional status of children at Koorgali Higher Primary School which helps poor children to attend school regularly & concentrate on education.	1) Other 2) Mysore (Karnataka)	2,00,000	2,00,000	44,10,585	Implementing Agency - 2,00,000 The Akshya Patra Foundation, #31, 18th Cross, Jaya Nagar, Mysuru - 570 014 (Registered Trust)
9		Conducted 2 General medical health check up and eye camp to local community people. Around 480 participated and benefited in the health check up camp. (Blood test,Urine & Stool Test, Eye Camp, X - Ray, General OPD)	1) Local 2) Pant Nagar (Uttrakhand)	55,000	47,500	44,58,085	Direct - 47,500
10		General Health Camp - to provide general preventive care to the local populates, to improve and sustain the health through regular periodical health check up. 210 community people participated & benefited in the program.	1) Local (Ambakkam) 2) Kancheepuram (TN)	30,000	29,800	44,87,885	Direct - 69,400
11		Dental Camp - To provide preventive care to the local populates in pertaining to Dental. To diagnose the dental need of the local populates and treat on the same.		25,000	20,100	45,07,985	
12		Eye Camp - To provide preventive care to the local populates in pertaining to Eye and provide glasses for the required patients and provide required treatment		25,000	19,500	45,27,485	
13		Nutrition Programme-To increase the longetivity of the HIV infected kids, we provide them with Protein supplements that would help to increase their immunity.	1)Other 2) Medak (Hyderabad)	3,00,000	2,99,200	48,26,685	Through Desire Society, KBR Colony, Bollaram, Hyderabad-502 325, Telangana ₹ 2,99,200
14		CSR Capacity Building			58,000	48,84,685	
	Total			**48,60,000**	**48,84,685**	**48,84,685**	

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. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. Through this report, the Company seeks to communicate its commitment towards CSR to the Ministry of Corporate Affairs. The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies as laid down in this report. 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	**S Parthasarathy**	**L Lakshman**
May 16, 2017	Chief Executive Officer	Chairman of CSR Committee

Annexure E to the Report of the Board of Directors

Conservation of Energy, Technology absorption and Foreign Exchange Earnings and Outgo

Pursuant to provisions of section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

Steps taken or impact on conservation

- Implementation of VFD projects for machines
- Delta to Star conversion of high power motors & de-rating of motors
- Need based auto - ON/OFF for machines
- Ceramic Lining to Furnaces
- Use of LED lighting for office and street lights
- Use of Inverter type Air Conditioners
- Elimination of Compressors by consumption reduction
- Energy Saving through air leak arresting
- Switching off compressors during unwanted period

Utilising alternate sources of energy

- 78 energy saving projects completed in all plants and saved 7.36 Lac units (₹ 48 lacs) in 2016-17
- Installation of additional Solar Street Lights in Mysore saved 2190 units.
- Electricity consumption through Windmill, which was 65,80,209 units in Mysuru and Varanavasi resulting in cost saving of ₹ 0.40 per unit amounting to ₹ 26 lakhs
- Projects taken up in 2015-16 continued to give savings in current year for 2.84 Lac units (₹ 17 lacs)
- Cost savings through private power consumption for ₹ 0.48 lacs

B. TECHNOLOGY ABSORPTION

Efforts made towards technology absorption

- Design and Development of Power-up or Hydro Static Unit with Add-On port for Farm tractors
- Design and Development of Low friction steering cylinder for Farm tractors / Commercial vehicles
- Value engineering carried out in RCB steering gears
- Concept design for Friction reduction in Rack & Pinion steering gears
- Development of new concept to eliminate undesirable rotation of steering linkage in field at crimped end
- Development of Spherical Bearing Ball joint for All Terrain Vehicles.

Benefits derived (product improvement, cost reduction, product development or import substitution)

- Additional Port to support Implements, whenever steering is not active
- Product improvement for reducing break away pressure (Energy Conservation)
- Light weighting design proposals / Cost reduction due to value engineering
- Product improvement for improved NVH
- Product improvement to address field issue
- Enhancing product portfolio

Details of Imported Technology

Technology imported during the last 3 years reckoned from the beginning of the financial year	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed; areas where absorption has not taken place and reason thereof
Not applicable			

Research and Development expenditure incurred

(₹ in Crores)

	Particulars	2016-17	2015-16
A	Capital expenditure	3.82	0.97
B	Recurring expenditure	7.71	6.96
C	Total	11.53	7.93
D	Total R & D expenses as a percentage of total turnover	1.19%	0.96%

Specific areas in which R & D carried out by the Company:

- CAE virtual simulation of peening process of Ball joints and assessment of pull out strength
- CAE analysis of composite reinforcement linkages for light weighting
- Virtual simulation / Analysis capability augmentation
- Innovative hypothesis in Ball joint internals
- Multi Body Dynamics (MBD) simulation to verify kinetics & kinematics

Benefits derived as a result of R & D

- Nomination for new generation passenger car steering business – domestic & exports
- Nomination for export business in commercial vehicle steering linkages
- Nomination for new portfolio hydraulics products introduction in farm tractor segment

Future plan of action

- Product design using "automated design optimization software"
- Fatigue life estimation using CAE analysis
- Support manufacturing by carrying out CAE simulation of tube bending and product optimization
- Hydraulics control elements (actuators / valves) for off-road vehicles / material hauling equipment/Product differentiation

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Crores)

Foreign Exchange	2016-17	2015-16
Earnings	216.31	182.11
Outgo	80.60	71.52

For and on behalf of the Board

Chennai
May 16, 2017

Harish Lakshman
Vice-Chairman

L Ganesh
Chairman

Annexure F to the Report of the Board of Directors

Particulars of Directors, Key Managerial Personnel and Employees for the Year 2016-17

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 2016-17 (in ₹ Cr.)	% increase/ (decrease) of remuneration FY 2016-17	Ratio of remuneration to median remuneration of employees
Mr. L Ganesh	Non-Executive Chairman	0.51	13%	N.A
Mr. S Parthasarthy	Chief Executive Officer (CEO)	1.38	19%	N.A
Ms. J Radha	Chief Financial Officer (CFO)	0.50	32% (Refer note (ii) below)	N.A
Ms. S Subha Shree	Secretary (iii)	0.17	6.25%	N.A

Note: N.A- Not Applicable

(i) None of the other directors receive any remuneration from the Company except sitting fees for attending meeting of the Board/ Committee(s) thereof.

(ii) Ms J Radha, CFO was appointed during the year 2015-16. Hence, remunaction for 2015-16 is not comparable with 2016-17 .

(iii) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.

2. Median remuneration of the employees of the Company for FY 2016-17 is ₹ 4.24 lakhs. Increase in median remuneration during the year is 12%

3. Number of permanent employees on the rolls of the Company as on March 31, 2017 was 1062 as against 1040 as on March 31, 2016.

4. Average percentile increase made in salary of employees other than the managerial personnel in last financial year as against percentile increase in managerial remuneration

Average percentile increase made in salary of employees other than the managerial personnel in last financial year 6%. The percentile increase in managerial remuneration 22%. The increase in remuneration is in line with the present industry standards.

5. It is hereby affirmed that the remuneration paid to Directors and Key Managerial personnel is in accordance with the remuneration policy.

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 (in ₹)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment in Rane (Madras) Ltd.,	Age (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 S Parthasarthy	Chief Executive Officer	138,43,811	Permanent	B.E, MBA (OUBS) UK & 32 years	17.05.1985	59	Ralliwolf	NIL	NIL
Ms. Gowri Kailasam	President - Steering Gear Division	96,34,321	Permanent	B.Tech (Chemical Engg.) & MS in Chemical Engg. MBA & 23 years	18.08.2003	50	Ford India	NIL	NIL
Mr. D Sundar	President - Die Cast Division	66,75,992	Permanent	DME, BE, MBA & 37 years	31.08.1994	56	Dev Fasteners	NIL	NIL
Mr. T Giriprasad	Senior Vice President - Rane Auto Parts	54,58,392	Permanent	B.Sc.(Physics), BE (Metallurgy), MBA & 25 years	03.03.2004	53	Jai Parbolic Ltd	NIL	NIL
Mr. R Balakrishnan	Senior Vice President - Marketing	53,94,704	Permanent	B.Tech (M) & 28 years	23.03.2006	52	Kidde India	NIL	NIL
Mr. Sanjib Roy	Vice President - R & D	50,04,548	Permanent	BE(Electronics), PG Diploma in Business Management (MBA) & 29 years	08.05.2013	51	Daimler India Commercial Vehicles Pvt Ltd.	NIL	NIL
Ms. J Radha	Vice President - Finance & CFO	49,76,662	Permanent	CA, CS (Inter) & 23 years	04.06.2015	51	Blue Star Limited	NIL	NIL
Mr. A Makesh	Vice President - Materials	46,89,072	Permanent	BE (Mechanical), PGDMM, MBA (IIM,K) & 25 years	01-07-1999	50	AISTOM Transport Ltd,	NIL	NIL
Mr. Satyendra O Devarkonde	General Manager - Operations	44,17,536	Permanent	DIP IN Tool & Die Making & 30 years	20.8.2014	51	Nexteer Automotive India Pvt Ltd	NIL	NIL
Mr. Atul Arora	Vice President - Rane Auto Parts	41,31,156	Permanent	B.Com, LLB & 35 years	04.10.1982	59	Jalandhar Auto Sales Ltd	NIL	NIL

ii. Employed throughout the financial year with remuneration not less than ₹ 1.02 crores per annum. (Excluding Top ten employees given in (i) above) : NIL

iii. Employees whose remuneration was not less than ₹ 8.50 lakhs p.m if employed part of the financial year (excluding Top ten employees 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

Annexure G to the Report of the Board of Directors

Corporate Governance Report

1. Philosophy on Code of Governance

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

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).

2. Board of Directors

As of March 31, 2017, the Board of the Company consists of seven non-executive directors with more than with 50% of them being independent directors. The composition of the independent directors is in conformity with the Statutory requirements. The directorships held by the directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. 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 companies in which he/she is a director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the financial year on May 20, 2016, July 22, 2016, October 24, 2016, January 23, 2017 and March 20, 2017. The names and categories 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 / chairperson position(s) held by them in other public companies as on March 31, 2017 are given below:

Name of the Director (DIN)	Category	No. of Board meetings attended	Whether attended last AGM (July 22, 2016)	Number of Directorship in other Public companies #		Number of Committees Membership @	
				Chairman	Member	Chairman	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	6	-	7
Mr. Harish Lakshman (00012602)	Vice Chairman, Non-Executive & Promoter	5	Yes	-	4	2	2
Ms. Anita Ramachandran (00118188)	Non-Executive & Independent	2	No	-	8	-	7
Mr. L Lakshman (00012554)	Non-Executive & Promoter	5	Yes	1	6	-	3
Mr. M Lakshminarayan (00064750)	Non-Executive & Independent	5	Yes	1	5	-	4
Mr. Pradip Kumar Bishnoi[$] (00732640)	Additional, Non-Executive & Independent	3	NA	-	1	-	2
Dr. Tridibesh Mukherjee (00004777)	Non-Executive & Independent	5	Yes	-	4	-	1

\# excludes directorships held on the boards of private companies, Section 8 companies and companies incorporated outside India.

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

$ Mr. Pradip Kumar Bishnoi (DIN 00732640), was co-opted to the board as an additional director (in the category of 'Independent Director') on October 24, 2016.

Mr L Lakshman is related to Mr L Ganesh and Mr Harish Lakshman.

The information as prescribed under PART A of Schedule II pursuant to Regulation 17(7) of SEBI LODR such as 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. are discussed by the Board of Directors.

Annual calendar for the Board and its committee meetings is circulated in advance to the directors for their planning. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has post Board meeting reviews to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

The disclosure regarding meeting of independent directors, Board and directors performance evaluation are discussed in the Directors Report.

The details of familiarisation programme for the independent directors are disclosed in the website of the Company http://ranegroup.com/ranemadras/rmlinvestors.html

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year on May 20, 2016, July 22, 2016, October 24, 2016 and January 23, 2017. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman, Non Executive & Independent	4
Mr. L Lakshman	Member - Non Executive & Promotor	4
Dr. Tridibesh Mukherjee	Member, Non-Executive & Independent	4

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 auditors and the internal auditors were present as invitees in all the meetings. The Chief Executive Officer (CEO), Presidents and Vice President (Finance) & CFO of the Company attended the meetings by invitation. Based on the requirement, other directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (the "Board") in reviewing the financial information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal auditors 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. In line with these provisions the Company has framed an Audit Committee Charter, which is subject to review by the Audit Committee.

The roles of the Audit Committee inter-alia, includes, review of:-

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal 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.
- 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.

As per the charter and the terms of reference, the Audit Committee, also:

- Recommends appointment of Auditors 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 Auditors / Internal Auditors.

The audit committee reviews the quarterly unaudited / audited annual financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee recommends payments to statutory auditors for audit and non-audit services, and for internal auditors.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of SEBI LODR, the audit committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on Related Party Transactions. 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 related party transactions 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 SEBI LODR, including review of internal auditor observations, statutory compliance.

4. Nomination and Remuneration Committee (NRC)

Composition, Attendance and Meetings:

The Nomination and Remuneration Committee (NRC) of the Board is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met two (2) times during the year on May 20, 2016 and July 22, 2016. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman, Non-Executive & Independent	2
Mr. L Lakshman	Member, Non-Executive & Promoter	2
Mr. L Ganesh	Member, Non-Executive & Promoter	2
Ms. Anita Ramachandran	Member, Non Executive & Independent	-

Terms of Reference

- 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 executive 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 SM.

During the year the NRC perused the candidature of Mr. Pradip Kumar Bishnoi and after satisfying themselves of his qualifications, experience and expertise, recommended his appointment to the Board of directors as an Additional Director in the category of 'Independent Director' on the board, effective October 24, 2016.

The NRC inter alia, reviewed the process for evaluation of the board, its committee and directors, recommended payment of commission to Mr. L Ganesh, Chairman, reviewed the compensation and benefits of senior management personnel (SMP) and key managerial personnel (KMP) of the Company.

Details of Remuneration paid to Directors:

Type of Meeting	Sitting Fees (₹) per meeting
Board	30,000
Audit Committee	25,000
Nomination & Remuneration Committee	10,000
Stakeholder's Relationship Committee	5,000
Corporate Social Responsibility Committee	5,000
Finance Committee	2,500

The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended March 31, 2017 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31,2017@
Mr. L Ganesh	1,82,500	50,73,000	839
Mr. L Lakshman	2,82,500	-	-
Mr. Harish Lakshman	1,62,500	-	750
Mr. M Lakshminarayan	2,70,000	-	-
Dr. Tridibesh Mukherjee	2,55,000	-	-
Ms. Anita Ramachandran	60,000	-	-
Mr. Pradip Kumar Bishnoi	90,000	-	-

@ includes joint holdings & HUF, if any

Note:

1. No other remuneration was paid to non-executive directors except sitting fees (other than Chairman).
2. Commission to Mr. L Ganesh, Chairman for the year 2016-17 pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 11th Annual General Meeting held on July 31, 2015.
3. No shares were pledged by the directors. There is no stock option scheme prevailing in the Company.

5. Stakeholders Relationship Committee

Composition & Attendance of Meetings:

The Stakeholder's Relationship Committee looks into grievances of shareholders and redress 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.

The composition of the Committee is as follows

Name of the Director	Category
Mr. L Lakshman	Chairman, Non-Executive & Promoter
Mr. Harish Lakshman	Member, Non-Executive & Promoter
Dr. Tridibesh Mukherjee	Member, Non-Executive & Independent

During the year, the Committee met once on March 20, 2017 and all the Committee members attended the meeting. There was no investor complaint received or registered under the SEBI Complaints Redress System (SCORES) during financial year 2016-17. Also, there was no investor complaint pending unresolved at the end of the financial year 2016-17.

6. Corporate Social Responsibility (CSR) Committee

The CSR activities of the Company focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment.

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

1. Formulate and recommend CSR Policy, for approval of the Board
2. Approve projects that are in line with the CSR policy
3. Have monitoring mechanisms in place to track the progress of each project
4. Recommend the CSR expenditure to the Board of the company for approval
5. Review new proposals and existing projects' status

During the year, the CSR Committee met once on May 20, 2016 to approve the annual report on CSR activities for the previous financial year 2015-16 and recommend to the board CSR projects to be undertaken for the financial year 2016-17. The details of members and their attendance are as below

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non- Executive & Promoter	1
Mr. L Ganesh	Member, Non- Executive & Promoter	1
Ms. Anita Ramachandran	Member, Non- Executive & Independent	-

The Company Secretary acts as the Secretary to the Committee.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee. The report on CSR projects undertaken during the financial year 2016-17 as approved by the CSR Committee in consultation with the Board is annexed to the Director's Report of the Board of Directors as **'Annexure D'.**

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. The Committee reports the details of transfer of securities

to the Board at each meeting of the Board. No sitting fees is payable to the committee members.

Finance Committee

The Finance Committee has been constituted to exercise the borrowing powers delegated by the Board, to approve the financial facilities in connection with the capital expenditures and working capital expenditures of the Company, as per the Annual Operating Plans approved by the Board. During the year the committee met three (3) times on July 7, 2016, December 16, 2016 and March 31, 2017. The composition of the Committee and attendance particulars are as under:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Member	3
Mr. L Lakshman	Member	1
Mr. Harish Lakshman	Member	3

Executive Committee

The Executive Committee has been constituted 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. During the year the committee met once on August 23, 2016. No sitting fees is payable to the committee members. The composition of the Committee and attendance particulars are as under:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Member	1
Mr. L Lakshman	Member	-
Mr. Harish Lakshman	Member	1

Investment Committee

The Investment Committee has been constituted to explore and in detail study any proposal for acquisition, carry out activities in connection with such proposals, submit recommendations to the board, make investments and give financial support to Intermediate Holding Company (IHC) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) of the Company, from time to time, within the overall limits approved by the Board. No sitting fees is payable to the committee members.

During the year the committee met two (2) times on May 27, 2016 and August 3, 2016 to approve extending financial assistance to WOS and SDS. The composition of the Committee and attendance particulars are as under:

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Member	2
Mr. L Lakshman	Member	2
Mr. Harish Lakshman	Member	2

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 viz., http://ranegroup.com/pdf/policies/coc.pdf. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer 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 practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 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 http://www.ranegroup.com/pdf/policies/rmlcfd.pdf

9. General Body Meetings

Details of last three Annual General Meetings are as under:

Date of AGM	Special Resolutions Passed	Time	Venue
July 22, 2016 (12th AGM)	No special resolution was passed.	10.15 a.m.	The Music Academy (Mini Hall), New No. 168, T.T.K Road, Royapettah, Chennai 600 014
July 31, 2015 (11th AGM)	No special resolution was passed.	10.15 a.m.	
July 31, 2014 (10th AGM)	Approval of borrowing powers u/s 180 of the Companies Act, 2013	10.15 a.m.	

During the year 2016-17, no resolutions were passed through postal ballot.

10. Disclosures

1. 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., which were in conflict with the interests of the Company. The transactions entered with related parties during the year were covered under the omnibus approval of the Audit Committee and were in the ordinary course and arms' length. The details of the related party transactions as per AS 18 as stated in note 28 of the financial statements has been reviewed/approved by the audit committee. The policy on Related Party Transaction is available on the website of the Company viz. URL: http://ranegroup.com/pdf/policies/rmlrpt.pdf

2. There was no instance of non compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.

3. 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.

4. 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.

5. The Company has complied with all the mandatory requirements prescribed under Chapter IV of the SEBI LODR. The Company has complied with the following non-mandatory requirements:-

   i. maintaining an office for the Chairman at the registered office of the Company
   ii. adopting best practices to ensure a regime of unqualified financial statements
   iii. individual communication of half-yearly performance including summary of the significant events to shareholders
   iv. keeping separate posts for Chairman and CEO
   v. internal auditor directly reporting to the Audit Committee

6. 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.

7. The Company has framed a policy for determining "material subsidiary" and the same is available on the Company's website. (Link: http://ranegroup.com/pdf/policies/rmlpmsr.pdf)

8. The Independent Directors have confirmed that they meet the criteria of 'Independence' as stipulated under Sec 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.

9. The CEO and CFO of the Company have certified to the Board on the integrity of the financial 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.

10. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

11. 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. 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 has been appropriately communicated across all locations of the Company. The Whistle Blower policy has also been posted on the Company's website URL: http://ranegroup.com/pdf/policies/rmlwbpolicy.pdf

No person is denied access to the ombudsperson / audit committee.

12. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results and the shareholding pattern were 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 was published on the website of the Company.

During last 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.

13. General Shareholder Information

i. Information about directors seeking re-appointment / appointment at the forthcoming 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. Harish Lakshman	Mr. M Lakshminarayan	Ms. Anita Ramachandran	Mr. Pradip Kumar Bishnoi
Age (in years)	43	70	62	65
Director Identification Number (DIN)	00012602	00064750	00118188	00732640
Father's Name	Mr. L Lakshman	Mr. Muthuswami Venkataram	Mr. Ediyathumangalam Narayanan Ramadoss	Mr. Om Prakash Bishnoi
Date of Birth	February 12, 1974	September 07, 1946	April 28, 1955	July 03, 1951
Educational Qualifications	B.E. - BITS Pilani, MSM - Purdue University, USA	M. Tech (IIT Bombay)	M.B.A (Finance) Jamnalal Bajaj Institute, Mumbai	Graduate petroleum engineer, Master's in Business Management (IIM Ahmedabad)
Experience	Mr Harish Lakshman has over 22 years of experience in the automotive industry and has held various positions in the areas of Marketing, Operations and Business Development in India and overseas. He currently spearheads the future growth plan for the Rane group.	Mr. M Lakshminarayan has over 48 years of experience in the field of science and technology	Ms. Anita Ramachandran has over 38 years of experience as a management consultant.	Mr. Pradip Kumar Bishnoi has over 40 years of experience and insights into industries steel, natural gas, industrial packaging, lubricants etc.,
Terms and conditions of appointment	Re-appointed as non- executive director, liable to retire by rotation by the shareholders at 11th Annual General meeting on July 31, 2015.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 6 of the Notice dated May 16, 2017 read with explanatory statement thereto.	Proposed to be re-appointed as Independent Director for a second term as per resolution no. 7 of the Notice dated May 16, 2017 read with explanatory statement thereto.	Additional Director (Independent) who holds office upto this AGM. Proposed to be appointed as Independent Director with effect from October 24, 2016 as per resolution no. 5 of the Notice dated May 16, 2017 read with explanatory statement thereto.
Last drawn remuneration	Sitting fee for FY 2016-17 ₹ 162,500 /-	Sitting fee for FY 2016-17 ₹ 270,000 /-	Sitting fee for FY 2016-17 ₹ 60,000 /-	Sitting fee for FY 2016-17 ₹ 90,000 /-
Remuneration sought to be paid	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which she is a member.	No approval sought for remuneration. Eligible for Sitting fee for attending meetings of the Board and Committees of which he is a member.
Date of first appointment on the board	March 31, 2004	July 21, 2008 July 31, 2014: 1st term as Independent Director under Companies Act, 2013.	October 15, 2012 July 31, 2014: 1st term as Independent Director under Companies Act, 2013.	October 24, 2016: Additional Director (Independent)
Relationship with other directors / KMP	Son of Mr. L Lakshman	-	-	-
Number of meetings of the Board attended during the year	Five	Five	Two	Three
Number of equity shares held	750	Nil	Nil	Nil

Name of the Director	Mr. Harish Lakshman	Mr. M Lakshminarayan	Ms. Anita Ramachandran	Mr. Pradip Kumar Bishnoi
Other Directorships	**Vice Chairman** 1. Rane Holdings 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. JMA Rane Marketing Limited 5. Rane Holdings America Inc., USA 6. Rane Precision Die Casting Inc., USA 7. Young President's Organisation (Chennai Chapter) 8. Savithur Enterprises Pvt Ltd 9. HL Hill Station Properties Pvt Ltd	**Chairman** 1. Wabco India Limited **Director** 1. Kirloskar Oil Engines Limited 2. Carborundum Universal Limited 3. TVS Electronics Limited 4. ASM Technologies Limited 5. Janaadhar (India) Private Limited 6. Dickinson Fowler Private Limited 7. TVS Automobile Solutions Private Limited 8. Leadec India Private Limited 9. Invest Karnataka Forum	**Director** 1. Cerebrus Consultants Private Limited 2. Godrej and Boyce Mfg. Co. Limited 3. Aditya Birla Retail Limited 4. Lok Advisory Services Private Limited 5. 3D PLM Software Solutions Limited 6. Kotak Mahindra Old Mutual Life Insurance Limited 7. Aditya Birla Customer Services Limited 8. Aditya Birla Housing Finance Limited 9. Oxfam India 10. IDFC Asset Management Company Limited 11. FSN E-Commerce Ventures Private Limited 12. Utkarsh Small Finance Bank Limited	**Director** 1. Avadh Sugar and Energy Limited
Committee Memberships in other Boards	**Chairman – Stakeholders' Relationship** 1. Rane Holdings Ltd. 2. Rane Brake Lining Ltd. **Member - Nomination and Remuneration** 1. Rane Holdings Ltd.	**Member - Audit** 1. Carborandum Universal Limited 2. Wabco India Limited 3. TVS Electronics Limited 4. TVS Automobile Solutions Pvt. Limited 5. ASM Technologies Limited **Chairman – Nomination & Remuneration** 1. Carborandum Universal Limited **Member - Nomination & Remuneration** 1. Wabco India Limited 2. TVS Electronics Limited 3. Kirloskar Oil Engines Limited 4. ASM Technologies Limited **Member – Corporate Social Responsibility** 1. Wabco India Limited **Chairman - Risk Management** 1. Carborandum Universal Limited	**Member - Audit** 1. Godrej & Boyce Manufacturing Company Limited 2. Aditya Birla Customer Services Limited 3. Aditya Birla Housing Finance Limited 4. Aditya Birla Retail Limited 5. IDFC Asset Management Co. Limited 6. 3D PLM Software Solutions Limited **Chairman - Nomination & Remuneration** 1. Godrej & Boyee Manufaturing Company Limited 2. Aditya Birla Retail Limited 3. TDFC Asset Management Co. Limited **Member - Nomination & Remuneration** 1. FSN E-Commerce Ventures Private Limited 2. Aditya Birla Customer Services Limited 3. Aditya Birla Housing Finance Limited 4. 3D PLM Software Solutions Limited 5. Kotak Mahindra Old Mutual Life Insurance Limited **Member – Corporate Social Responsibility** 1. Aditya Birla Retail Limited	**Member – Audit** 1. Avadh Sugar and Energy Limited **Member – Corporate Social Responsibility** 1. Avadh Sugar and Energy Limited **Member – Stakeholders' Relationship** 1. Avadh Sugar and Energy Limited

ii. Annual General Meeting — **August 24, 2017 at 10.15 a.m**
The Music Academy (Mini Hall)
New No.168, TTK Road, Royapettah, Chennai - 600 014.

iii. Financial Year – 1st April to 31st March

Financial Calendar:

Board meeting for approval of	Tentative Date
Annual Accounts for the year ended March 31, 2017	May 16, 2017
Un-audited results for the 1st quarter ending June 30, 2017	By third week of August 2017
Un-audited results for the 2nd quarter ending September 30, 2017	By last week of November 2017
Un-audited results for the 3rd quarter ending December 31, 2017	By third week of January 2017
Annual Accounts for the year ending March 31, 2018	Before end of May 2018

iv. Dividend

During the year 2016-17, the board of directors declared an interim dividend of 20% (i.e., ₹ 2/- per share) on the equity share capital on January 23, 2017. The interim dividend was paid on February 10, 2017 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 3, 2017 (being the Record Date) fixed for this purpose.

The board of directors of the Company at their meeting held on May 16, 2017 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 13th AGM to be held on August 24, 2017. The final dividend, if declared, will be paid to those eligible shareholders whose name appeared in the register of members of the Company as on August 17, 2017 (being the Record Date) fixed for this purpose.

v. Listing on Stock Exchanges

Stock Exchange	Stock Code
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, 5th Floor, Plot no C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RML
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001	532661

Listing Fee

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has paid the Annual Listing fee for the financial year 2017 – 18 to NSE & BSE where the shares of the Company continue to be listed.

vi. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2010 and thereafter which remain unclaimed for a period of seven year, are required 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 interim dividend of ₹ 89,332.50 for the financial year ended March 31, 2010. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Members who have not encashed the dividend warrants are requested to make their claim to the Company. Information in respect of such unclaimed dividend due for transfer to the said fund is as follows:

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2017) (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2010	19.07.2010	2.00	82,494.00	24.08.2017	23.09.2017
31.03.2011 *	21.01.2011	4.50	1,66,522.50	26.02.2018	28.03.2018
31.03.2011	19.07.2011	2.50	1,03,310.00	24.08.2018	23.09.2018
31.03.2012 *	27.01.2012	5.50	2,30,417.00	03.03.2019	02.04.2019
31.03.2012	11.07.2012	4.00	1,73,136.00	16.08.2019	15.09.2019
31.03.2013 *	23.01.2013	2.00	1,02,454.00	28.02.2020	29.03.2020
31.03.2013	18.07.2013	5.00	2,25,570.00	23.08.2020	22.09.2020
31.03.2014	31.07.2014	5.50	1,96,196.00	05.09.2021	05.10.2021
31.03.2015	31.07.2015	4.50	1,95,534.00	06.09.2022	06.10.2022
31.03.2016*	10.03.2016	3.50	2,09,975.00	16.04.2023	16.05.2023

\# Share of paid-up value of ₹ 10/- per share
* Interim Dividend

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on July 22, 2016 in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded in the website of the Company viz. http://ranegroup.com.

In respect of interim dividend of ₹ 2/- per share declared by the board of directors on January 23, 2017, unpaid / unclaimed dividend has been transferred to an unclaimed dividend account on February 28, 2017. The last date for claiming such amount in terms of Section 124 of the Companies Act 2013 is February 28, 2024.

vii. Unclaimed share certificates

Under clause 5A (II) of the listing agreement / Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Details of Unclaimed Suspense account	Number of shareholders	Number of shares outstanding
Aggregate at the beginning of the year	73	12,298
Requests for transfer during the year	2	200
Transfers during the year	2	200
Balance at the end of the year	71	12098

The voting rights of these shareholders shall remain frozen till the rightful owner of such shares claims the same.

viii. Transfer of shares to IEPF Suspence Account

Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 read with 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 underlying equity shares in respect of which dividends have not been claimed for a continuous period of last 7 years by any shareholder, to the IEPF Authority.

The details of such unclaimed shares which are liable for transfer to the IEPF Authority is available on the web-link http://ranegroup.com/ranemadras/ranemadrasshareholder.html. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, as may be notified by Ministry of Corporate Affairs (MCA). The MCA is yet to notify DP Account to which such unclaimed shares are required to be transferred.

An intimation in this regard has been sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest known addresses. The Company has also published notices in newspapers in accordance with the said IEPF Rules.

ix. Share Price Data

The share price data (based on closing price) as quoted on the National Stock Exchange of India Ltd. and BSE Ltd. during the last financial year viz. April 1, 2016 - March 31, 2017, is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)				Share Prices (₹)			
	High	Low	High	Low	High	Low	High	Low
April 2016	350.00	302.10	26,064.12	24,673.84	349.65	298.00	7,979.90	7,546.45
May 2016	364.80	277.85	26,725.60	25,101.73	363.20	275.30	8,178.50	7,706.55
June 2016	350.15	299.95	27,020.66	26,395.71	350.75	298.15	8,287.75	8,088.60
July 2016	371.15	331.70	28,208.62	27,126.90	371.55	328.85	8,666.30	8,323.20
August 2016	390.55	349.20	28,452.17	27,697.51	387.05	349.20	8,786.20	8,544.85
September 2016	537.30	380.35	29,045.28	27,827.53	534.25	378.95	8,952.50	8,591.25
October 2016	538.25	497.50	28,334.55	27,529.97	537.50	499.80	8,769.15	8,520.40
November 2016	513.40	383.05	27,876.61	25,765.14	516.00	382.10	8,626.25	7,929.10
December 2016	427.15	399.65	26,747.18	25,807.10	428.65	391.30	8,261.75	7,908.25
January 2017	434.85	406.95	27,882.46	26,595.45	433.85	404.25	8,641.25	8,179.50
February 2017	434.90	403.60	28,892.97	28,141.64	433.40	402.30	8,939.50	8,716.40
March 2017	498.20	422.85	29,648.99	28,832.45	499.90	423.95	9,173.75	8,897.55

(Source: BSE www.bseindia.com ; NSE www.nseindia.com)

x. Registrar and Transfer Agents

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
Email : corpserv@iepindia.com Website : www.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 de-mat / re-mat requests in coordination with the RTA. Share transfers and transmission 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) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 55A of SEBI (Depositories and Participants) Regulations, 1996 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying 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, 2017

No. of shares held	Shareholders		Shares held	
	Number	% to total	Number	% to total
Upto 500	6,590	85.29	6,01,278	5.72
501 - 1,000	444	5.75	3,49,802	3.33
1,001 - 2,000	285	3.69	4,42,081	4.21
2,001 – 3,000	137	1.77	3,50,526	3.33
3,001 - 4,000	61	0.79	2,18,459	2.08
4,001 - 5,000	51	0.66	2,35,375	2.24
5,001 - 10,000	89	1.15	6,36,113	6.05
10,001 & above	70	0.91	76,77,015	73.04
Total	**7,727**	**100.00**	**1,05,10,649**	**100.00**

xiii. Dematerialisation of shares and liquidity

The Company has entered into the necessary agreements with National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialisation of the shares held by investors. The shares of the Company are compulsorily traded in dematerialised form. As of March 31, 2017, about 98.86% of the shareholdings have been dematerialised.

Comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares		% to total capital	
	As on March 31, 2017	As on March 31, 2016	As on March 31, 2017	As on March 31, 2016
Physical	1,19,831	1,26,253	1.14	1.20
Demat	1,03,90,818	1,03,84,396	98.86	98.80
Total	**1,05,10,649**	**1,05,10,649**	**100.00**	**100.00**

The Promoter & Promoter group hold their entire shareholding in the equity shares in dematerialised form.

Reconciliation of share capital audited by practicing company secretary is furnished every quarter to stock exchanges, where the shares of the Company are listed

Demat ISIN Number: **INE050H01012**

The Company has neither issued any equity share with differential voting rights nor granted stock options nor sweat equity.

xiv. Plant locations – Corporate Overview section of the Annual Report

xv. Address for communication:

The Compliance Officer
Rane (Madras) Limited
Rane Corporate Centre,
"Maithri" 132, Cathedral Road,
Chennai 600 086.
Phone: 28112472, Fax: 28112449
E-mail: investorservices@ranegroup.com

OR

Mr. Suresh Babu K
Director
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
E-mail: corpserv@integratedindia.in

To

The Members
Rane (Madras) Limited

Declaration by Chief Executive Officer on Code of Conduct pursuant to Part C of Schedule V of 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, 2017.

Chennai
May 16, 2017

S Parthasarathy
Chief Executive Officer

Independent Auditors' Certificate on Corporate Governance

To

The Members
Rane (Madras) Limited

1. This certificate is issued in accordance with the terms of our engagement letter reference No. GS/GJ/2016-17/RML/AUDIT/EL dated August 4, 2016.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of **Rane (Madras) Limited** ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, 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).

Management's 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.

Auditors' 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 Chartered Accountants of India (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, 2017.

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)

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Chennai
May 16, 2017

Annexure H to the Report of the Board of Directors

Extract of Annual Return – MGT 9

as on the financial year ended March 31, 2017
[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	:	L65993TN2004PLC052856
(ii)	Registration Date	:	March 31, 2004
(iii)	Name of the Company	:	Rane (Madras) 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", 132, Cathedral Road, Chennai 600 086 Phone : 044 2811 2472 Fax : 044 2811 2449 E-mail : 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, 'Kences Towers' No.1, Ramakrishna Street, North Usman Road, T. Nagar, Chennai – 600 017 Phone : 28140801-03, Fax: 28142479 E-mail : corpserv@integratedindia.in Contact person : Mr. Suresh Babu K, Director

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	Steering and Suspension linkages	29301	36.13%
2	Steering gear products	29301	44.84%
3	Other articles of aluminium	2432	12.76%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

Sl. No	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	**Rane Holdings Limited** Address: 'Maithri' No.132, Cathedral Road, Chennai - 600086, India	L35999TN1936PLC002202	Holding Company	56.31%	2(46)
2	**Rane (Madras) International Holdings B.V.** Address: Hoogoorddreef 15,1101 BA Amsterdam, The Netherlands	Not applicable	Subsidiary Company	100%	2(87)(ii)
3	**Rane Precision Die Casting Inc.,** Address:232 Hopkinsville Road Russellville KY 42276-1280 United States of America	Not applicable	Step Down Subsidiary Company	100%	2(87)(ii)

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 (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	88,573	–	88,573	0.84	83,841	–	83,841	0.80	(0.04)
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	59,18,156	–	59,18,156	56.31	59,18,156	–	59,18,156	56.31	
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A) (1):-	**60,06,729**	**–**	**60,06,729**	**57.15**	**60,01,997**	**–**	**60,01,997**	**57.11**	**(0.04)**
(2) Foreign									
a) NRIs – Individuals	73,060	–	73,060	0.70	73,060	–	73,060	0.70	–
b) Other – Individuals	–	–	–	–	–	–	–	–	–
c) Bodies Corp.	–	–	–	–	–	–	–	–	–
e) Banks / FI	–	–	–	–	–	–	–	–	–
f) Any other	–	–	–	–	–	–	–	–	–
Sub-total (A) (2):-	**73,060**	**–**	**73,060**	**0.70**	**73,060**	**–**	**73,060**	**0.70**	**–**
Total Promoter (A) = (A)(1)+ (A)(2)	**60,79,789**	**–**	**60,79,789**	**57.84**	**60,75,057**	**–**	**60,75,057**	**57.80**	**(0.04)**
B. Public Shareholding									
1. Institutions	–	–	–	–	–	–	–	–	–
a) Mutual Funds	40,226	–	40,226	0.38	6,000	–	6,000	0.06	(0.32)
b) Banks / FI	–	50	50	0.00	5,292	50	5,342	0.05	0.05
c) Central Govt	–	–	–	–	–	–	–	–	–
d) State Govt(s)	–	–	–	–	–	–	–	–	–
e) Venture Capital Funds	–	–	–	–	–	–	–	–	–
f) Insurance Companies	–	–	–	–	–	–	–	–	–
g) FIIs	–	–	–	–	–	–	–	–	–
h) Foreign Venture Capital Funds	–	–	–	–	–	–	–	–	–
i) Others (specify)	–	–	–	–	–	–	–	–	–
Sub-total (B)(1):-	**40,226**	**50**	**40,726**	**0.38**	**11,292**	**50**	**11,342**	**0.11**	**(0.27)**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6,40,951	37	6,40,988	6.10	6,42,533	37	6,42,570	6.11	0.1
ii) Overseas	–	–	–	–	–	–	–	–	–
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	22,95,590	1,26,166	24,21,756	23.04	23,60,827	1,19,744	24,80,571	23.60	0.56

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	12,23,675	-	12,23,675	11.64	11,46,347	-	11,46,347	10.90	(0.74)
c) Others (specify)									
Non Resident Indians	73,831	-	73,831	0.70	80,787	-	80,787	0.77	0.07
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	18,036	-	18,036	0.17	61,877	-	61,877	0.59	0.42
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Rane (Madras) Limited - Unclaimed Shares Suspense Account	12298	-	12298	0.12	12,098	-	12,098	0.12	-
Sub-total (B)(2):-	**42,64,381**	**1,26,203**	**43,90,584**	**41.77**	**43,04,469**	**1,19,781**	**44,24,250**	**42.09**	**0.32**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**43,04,607**	**1,26,253**	**4,430,860**	**42.16**	**43,15,761**	**1,19,831**	**44,35,592**	**42.20**	**0.05**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**1,03,84,396**	**1,26,253**	**1,05,10,649**	**100.0**	**1,03,90,818**	**1,19,831**	**10,510,649**	**100.0**	**-**

(ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	At the beginning of the year (As on April 1, 2016)			At the end of the year (As on March 31, 2017)			% change in share holding 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	Rane Holdings Limited	59,18,156	56.31	-	59,18,156	56.31	-	
2	Shanthi Narayan	34,775	0.33	-	34,775	0.33	-	
3	Raman T G G	28,000	0.27	-	28,000	0.27	-	
4	Rathika R Sundaresan	20,000	0.19	-	20,000	0.19	-	
5	Chithra Sundaresan	12,604	0.12	-	12,604	0.12	-	
6	Ranjini R Iyer	12,000	0.11	-	12,000	0.11	-	
7	Geetha Raman Subramanyam	12,000	0.11	-	12,000	0.11	-	
8	Aditya Ganesh	8,483	0.08	-	8,483	0.08	-	
9	Aparna Ganesh	7,851	0.07	-	7,851	0.07	-	

Sl. No.	Shareholder's Name	At the beginning of the year (As on April 1, 2016)			At the end of the year (As on March 31, 2017)			% change in share holding 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	
10	Vanaja Aghoram	5,010	0.05	-	5,010	0.05	-	
11	Malavika Lakshman	4,866	0.05	-	4,866	0.05	-	
12	Pushpa Lakshman	4,732	0.04	-	-	-	-	(0.04)
13	T G Ramani	4,193	0.04	-	4,193	0.04	-	
14	Suchitra Narayan	2,350	0.02	-	2,350	0.02	-	
15	Sumant Narayan	1,370	0.01	-	1,370	0.01	-	
16	Rekha Sundar	1,060	0.01	-	1,060	0.01	-	
17	Meenakshi Ganesh	839	0.01	-	839	0.01	-	
18	Vinay Lakshman	750	0.01	-	750	0.01	-	
19	Harish Lakshman	750	0.01	-	750	0.01	-	
	TOTAL	**60,79,789**	**57.84**	**-**	**6,07,5057**	**57.80**	**-**	**(0.04)**

(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	**60,79,789**	**57.84**	**60,79,789**	**57.84**
Pushpa Lakshman	4,732	0.04	4,732	0.04
Other promoters (mentioned in (ii) above)	60,75,057	57.80	60,75,057	57.80
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease: (e.g. allotment /transfer / bonus/ sweat equity etc.)	Sale of 4,732 shares held by Ms. Pushpa Lakshman (Promoter Group) between 18/08/2016 and 22/08/2016.			
At the end of the year	**6,07,5057**	**57.80**	**6,07,5057**	**57.80**
Pushpa Lakshman	-	-	-	-
Other promoters (mentioned in (ii) above)	60,75,057	57.80	60,75,057	57.80

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

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	Kumari Investment Corporation Private Ltd.	1,46,750	1.40	-	-	-	-	1,46,750	1.40
2	Aadi Financial Advisors LLP	1,25,748	1.20	-	-	-	-	1,25,748	1.20

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
3	Gautam Jain	1,07,726	1.03	03.06.2016	2,000	0.02	Purchase	1,09,726	1.04
				10.03.2017	(3,839)	(0.04)	Transfer	1,05,887	1.01
				17.03.2017	(500)	(0.01)	Transfer	1,05,387	1.00
				24.03.2017	(500)	(0.01)	Transfer	1,04,887	1.00
				31.03.2017	(1500)	(0.01)	Transfer	1,03,387	0.98
4	Arvind Baburao Joshi	75,855	0.72	31.03.2017	(500)	(0.01)	Transfer	75,355	0.72
6	Systematix Fincorp India Limited	75,523	0.72	05.08.2016	1,282	0.01	Purchase	76,805	0.73
				02.09.2016	1,693	0.02	Purchase	78,498	0.75
				11.11.2016	(31,498)	(0.30)	Transfer	47,000	0.45
				24.03.2017	(5,523)	(0.05)	Transfer	41,477	0.40
				31.03.2017	(8,689)	(0.08)	Transfer	32,788	0.31
6	Vallabh Bhanshali	62,874	0.60	-	-	-	-	62,874	0.60
7	Arun Subrahmanyam	50,000	0.48	27.05.2016	(8,082)	(0.08)	Transfer	41,918	0.40
				03.06.2016	(41,918)	(0.40)	Transfer	0	0.00
8	Kalawati Radheshyam Agarwal	40,985	0.39	06.05.2016	(4,812)	(0.05)	Transfer	36,173	0.34
9	HDFC Trustee Company Ltd A/C-HDFC Children' SG	40,226	0.38	20.01.2017	(8,110)	(0.08)	Transfer	32,116	0.31
				27.01.2017	(22,767)	(0.22)	Transfer	9,349	0.09
				03.02.2017	(3,349)	(0.03)	Transfer	6,000	0.06
10	Zaki Abbas Nasser	40,000	0.38	27.05.2016	(40,000)	(0.38)	Transfer	0	0.00
11	Ashok Kumar Jain	37,681	0.36	22.04.2016	2,430	0.02	Purchase	40,111	0.38
				20.05.2016	2,092	0.02	Purchase	42,203	0.40
				27.05.2016	1,958	0.02	Purchase	44,161	0.42
				03.06.2016	7,587	0.07	Purchase	51,748	0.49
				10.06.2016	4,660	0.04	Purchase	56,408	0.54
				17.06.2016	83	0.00	Purchase	56,491	0.54
				22.07.2016	810	0.01	Purchase	57,301	0.55
				29.07.2016	(1,287)	(0.01)	Transfer	56,014	0.53
				05.08.2016	(11,371)	(0.11)	Transfer	44,643	0.43
				16.09.2016	(19,714)	(0.19)	Transfer	24,929	0.24
				30.09.2016	(2,275)	(0.02)	Transfer	22,654	0.22
				07.10.2016	(2,700)	(0.03)	Transfer	19,954	0.19
				21.10.2016	(990)	(0.01)	Transfer	18,964	0.18
				04.11.2016	(1,800)	(0.02)	Transfer	17,164	0.16
				11.11.2016	(1,800)	(0.02)	Transfer	15,364	0.15
				18.11.2016	(3,782)	(0.04)	Transfer	11,582	0.11
				25.11.2016	(2,000)	(0.02)	Transfer	9,582	0.09
				02.12.2016	(900)	(0.01)	Transfer	8,682	0.08
				09.12.2016	(900)	(0.01)	Transfer	7,782	0.07
				13.01.2017	495	0.01	Purchase	8,277	0.08
				20.01.2017	2,676	0.03	Purchase	10,953	0.10
				27.01.2017	7,827	0.07	Purchase	18,780	0.18
				03.02.2017	7,201	0.07	Purchase	25,981	0.25
				17.02.2017	900	0.01	Purchase	26,881	0.26
				24.02.2017	4,824	0.05	Purchase	31,705	0.30
				10.03.2017	216	0.00	Purchase	31,921	0.30
				17.03.2017	1,800	0.02	Purchase	33,721	0.32

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
12	Rajeswari V	33,900	0.32	-	-	-	-	33,900	0.32
13	Ashwin Radheshyam Agarwal	27,903	0.27	19.08.2016	19,817	0.19	Purchase	47,720	0.45

(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	**1.589**	**0.02**	**1.589**	**0.02**
Meenakshi Ganesh (Jointly With L Ganesh)	839	0.01	839	0.01
Harish Lakshman	750	0.01	750	0.01
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	**1,589**	**0.02**	**1,589**	**0.02**
Meenakshi Ganesh (Jointly With L Ganesh)	839	0.01	839	0.01
Harish Lakshman	750	0.01	750	0.01

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

V. INDEBTEDNESS:

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

₹ in Crores

	Secured Loans Excluding Deposits- Long term Loan	Secured Loans Excluding Deposits- Working Capital	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	166.12	104.85	6.55	1.23	278.75
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	1.55	-	-	-	1.55
Total (i+ii+iii)	**167.67**	**104.85**	**6.55**	**1.23**	**280.30**
Change in Indebtedness during the financial year					
Addition	23.91	18.23	9.05		51.19
Reduction	-45.00	-	-	-1.23	-46.23
Net Change	**-21.09**	**18.23**	**9.05**	**-1.23**	**4.96**

	Secured Loans Excluding Deposits- Long term Loan	Secured Loans Excluding Deposits- Working Capital	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year					
i) Principal Amount	145.21	123.08	15.60	-	283.89
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	1.37	-	-	-	1.37
Total (i+ii+iii)	**146.58**	**123.08**	**15.60**	**-**	**285.26**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not applicable

B. Remuneration to other Directors:

₹ in Crores

Sl. No	Particulars of Remuneration	Name of the Directors				
1	Independent Directors	Mr. M Lakshminarayan	Dr. Tridibesh Mukherjee	Ms. Anita Ramachandran	Mr. Pradip Kumar Bishnoi[$]	Total
(a)	Fee for attending board / committee meetings	0.027	0.026	0.006	0.009	0.068
(b)	Commission	-	-	-	-	-
(c)	Others, please specify	-	-	-	-	-
Total (B1)		**0.027**	**0.026**	**0.006**	**0.009**	**0.068**
2	Other Non- Executive Directors	Mr. L Ganesh	Mr. L Lakshman	Mr. Harish Lakshman		Total
(a)	Fee for attending board / committee meetings	0.018	0.028	0.016		0.062
(b)	Commission	0.507	-	-		0.507
(c)	Others, please specify	-	-	-		-
Total (B2)		**0.525**	**0.028**	**0.016**		**0.569**
Total B = (B1)+(B2)						**0.637**
***Overall ceiling as per Act (being 11% of net profits calculated as per Section 198 of the Companies Act 2013) ₹ 2.79 cr.**						

$ Appointed as Director w.e.f. October, 24, 2016

* The overall ceiling as per Act does not include sitting fees.

C. Remuneration to key managerial personnel other than MD/ MANAGER /WTD:

₹ in Crores

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total
		Ms. S Subha Shree CS*	Ms. J Radha CFO	Mr. S Parthasarathy CEO	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.17	0.49	1.25	1.91
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.01	0.13	0.14
(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 (A)	**0.17**	**0.50**	**1.38**	**2.05**

'* Paid by Rane Holdings Limited (RHL), as part of the secretarial services availed by the Company from RHL.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Independent Auditor's Report to the Members of Rane (Madras) Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Rane (Madras) Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors 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 standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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 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 – Refer Note 29 to the 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.

iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

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)

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
May 16, 2017

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 (Madras) Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
May 16, 2017

Annexure "B" to the Independent Auditor's Report

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

(i) In respect of its fixed assets (Property, plant & equipment and Intangible assets):

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets (Property, plant & equipment and Intangible assets).

(b) Some of the fixed assets (Property, plant & equipment) were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. 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 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 and buildings whose title deeds have been pledged with banks as security for term loans, are held in the name of the Company based on the Mortgage deed executed between the bank and the Company for which confirmations have been obtained from respective bankers.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset (Property, plant & equipment) in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) 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 the loans, making investments and providing guarantees, as applicable.

(v) In respect of deposits amounting to ₹ 1.23 crores accepted in earlier years and which had fallen due for payment and paid during the year ended 31st March 2017 as per the terms of acceptance of these deposits, taking into account the approval obtained from the Company Law Board for repayment of the fixed deposits on the respective maturity dates in accordance with the terms of acceptance of these deposits as given in Note No. 4(5), the Company has complied with the provisions of section 73 and section 74 of the Companies Act 2013. According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, 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, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, and Excise Duty which have not been deposited as on 31st March 2017 on account of disputes are given below

:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to Which amount relates	Amount Involved (₹ Crores)	Amount Unpaid (₹ Crores)
Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise (Appeals)	2007-08 to 2012-13	0.35	0.33
Central Excise Act, 1944	Excise Duty	Customs, Excise and Service Tax Appellate Tribunal	2009-10 to 2011-12	0.85	0.68
Central Excise Act, 1944	Service Tax	Commissioner of Central Excise (Appeals)	2007-08 to 2013-14 and 2015-16	0.48	0.45
Central Excise Act, 1944	Service Tax	Commissioner of Central Excise (Appeals)	2011-12	0.06	0.03
Central Excise Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2002-03 and 2011-12	0.15	0.15
Maharashtra Value Added Tax, 2002	Sales Tax	Commissioner (Appeals)	2005-06 to 2008-09	1.1	1.09
Karnataka Entry of Goods Act, 1979	Sales Tax	Commissioner (Appeals)	2005-06 to 2012-13	0.4	0
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner	2013-14	0.99	0.84
Central Sales Tax Act, 1956	Sales Tax	Customs, Excise and Service Tax Appellate Tribunal	2010-11	0.07	0.02
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	2009-10 to 2013-14	0.16	0
Income Tax Act, 1961	Income Tax	Supreme Court	1997-98	0.31	0.31
Income Tax Act, 1961	Income Tax	High Court	1996-97	0.07	0.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2008-09	7.52	5.52
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2009-10	2.76	0
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2010-11	4.98	4.98
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2011-12	0.43	0.43
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2012-13	2.39	2.39
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax(Appeals)	2013-14	0.13	0.13

(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 banks. The Company has not taken any loans or borrowings from financial institutions and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). According to the information and explanations given to us, in respect of term loans, the Company has applied the money for the purposes for which it was raised, other than temporary deployment pending application.

(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 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the company is in compliance with Section 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 Order 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 persons connected with him 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-I of the Reserve Bank of India Act, 1934.

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
May 16, 2017

Standalone Balance Sheet

as at 31 March 2017

₹ Crores

Particulars	Note	As at 31 March 2017	As at 31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	18.74	18.74
(b) Reserves and surplus	3	158.19	141.88
		176.93	**160.62**
(2) Non-current liabilities			
(a) Long-term borrowings	4	120.86	124.07
(b) Deferred tax liabilities (Net)	5	8.90	8.01
(c) Other Long term liabilities	6	0.15	0.14
(d) Long-term provisions	7	7.46	7.45
		137.37	**139.67**
(3) Current liabilities			
(a) Short-term borrowings	8	138.58	110.94
(b) Trade payables	9		
- total outstanding dues of Creditors other than Micro enterprises		167.06	125.27
- total outstanding dues of Micro enterprises and small enterprises		13.21	11.42
(c) Other current liabilities	10	48.06	62.04
(d) Short-term provisions	11	4.72	2.99
		371.63	**312.66**
TOTAL		**685.93**	**612.95**
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	12	306.73	301.48
(b) Intangible assets		3.68	4.62
(c) Capital work-in-progress		27.09	7.37
(d) Investment in wholly owned subsidiary	13	0.15	0.15
(e) Long-term loans and advances	14	33.00	29.84
(f) Other Non current assets	15	8.78	-
		379.43	**343.46**
(2) Current assets			
(a) Inventories	16	110.31	93.35
(b) Trade receivables	17	147.51	121.80
(c) Cash and bank balances	18	3.45	2.78
(d) Short-term loans and advances	19	40.51	40.79
(e) Other current assets	20	4.72	10.77
		306.50	**269.49**
TOTAL		**685.93**	**612.95**

See accompanying notes forming part of the Financial Statements

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

Geetha Suryanarayanan
Partner

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Standalone Statement of Profit and Loss

for the year ended 31 March 2017

₹ Crores

	Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
I.	**Revenue from operations (Gross)**	21	**1,098.51**	**945.04**
	Less: Excise Duty		95.20	84.13
	Revenue from operations (Net)		**1,003.31**	**860.91**
II.	Other Income	22	1.98	1.58
III.	**Total Revenue (I + II)**		**1,005.29**	**862.49**
IV.	**Expenses :**			
	Cost of materials consumed	23	598.93	514.16
	Changes in inventories of finished goods and work-in-progress	24	(12.66)	(7.41)
	Employee benefit expenses	25	115.56	98.25
	Finance costs	26	27.05	18.96
	Depreciation and amortization expense	12	46.65	39.38
	Other expenses	27	206.09	177.79
	Total expenses		**981.62**	**841.13**
V.	**Profit before exceptional item and tax (III – IV)**		**23.67**	**21.36**
VI.	Exceptional items - termination benefit under Voluntary Retirement Scheme	34	-	2.70
VII.	**Profit before tax (V – VI)**		**23.67**	**18.66**
VIII.	**Tax expense :**			
	Current tax		5.28	4.21
	Deferred tax charge	5	0.89	3.11
	MAT credit availed		(1.46)	(2.75)
	Net tax expense		**4.71**	**4.57**
IX.	**Profit for the year (VII – VIII)**		**18.96**	**14.09**
X.	Earnings per equity share (of ₹ 10 each)	31		
	Basic (in ₹)		17.39	12.77
	Diluted (in ₹)		17.39	12.77

See accompanying notes forming part of the Financial Statements

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

Geetha Suryanarayanan
Partner

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Standalone Cash Flow Statement

for the year ended 31 March 2017

₹ Crores

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	23.67	18.66
	Adjustments for:		
	Depreciation and Amortisation Expense	46.65	39.38
	Loss on sale of Property, Plant and Equipment (net)	0.25	0.14
	Finance Costs	27.05	18.96
	Interest Income on Deposit	(0.27)	(0.32)
	Provision for Doubtful Trade receivables and advances (Net of Write back)	0.79	0.32
	Unrealised Exchange Loss	1.44	1.88
	Operating Profit before Working Capital / Other Changes	**99.58**	**79.02**
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(16.96)	(7.05)
	Long Term Loans and Advances	(1.98)	(2.96)
	Other Non Current Assets	(8.78)	-
	Trade Receivables	(27.83)	(7.14)
	Short Term Loans and Advances	(6.50)	(4.05)
	Loan to subsidiary	6.51	(13.55)
	Other Current Assets	5.97	(5.09)
	Adjustments for increase/(decrease) in operating liabilities:		
	Other Long Term Liabilities	0.01	(0.12)
	Long Term Provisions	0.01	0.59
	Trade Payables	43.86	4.08
	Other Current Liabilities	6.04	(1.09)
	Short Term Provisions	1.74	0.02
	Cash Generated from Operations	**101.67**	**42.66**
	Direct Taxes Paid (Net of Refund Received)	(4.26)	(5.77)
	Net Cash Flow From Operations	**97.41**	**36.89**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital Expenditure	(71.88)	(75.31)
	Proceeds from Sale of Property, Plant and Equipment	0.20	0.34
	Interest Received on Bank Deposits	0.34	0.19
	Investment in Subsidiary	-	(0.15)
	Bank balances not considered as Cash & Cash Equivalents	0.62	0.31
	Net Cash Flow Used in Investing Activities	**(70.72)**	**(74.62)**

₹ Crores

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long-Term Borrowings	23.90	107.19
	Repayment of Long-Term Borrowings	(45.16)	(35.05)
	Proceeds from other Short-Term Borrowings	27.52	-
	Repayment of other Short-Term Borrowings	-	(0.25)
	Repayment of Fixed Deposits	(1.23)	(3.39)
	Finance Costs	(27.23)	(18.66)
	Dividend Paid	(2.66)	(10.02)
	Tax on Dividend	(0.54)	(2.16)
	Net Cash Flow from / (used) in Financing Activities	**(25.40)**	**37.66**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	**1.29**	**(0.07)**
	Cash and Cash Equivalents at the Beginning of the Year	1.65	1.72
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	*	*
	Cash and Cash Equivalents at the End of the Year **(Refer Note 18)**	2.94	1.65
		1.29	**(0.07)**

* Amount of ₹ 5,861 (Previous year ₹ 11,733) is below the rounding off norm adopted by the Company

See accompanying notes forming part of the Financial Statements

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

Geetha Suryanarayanan
Partner

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Notes forming part of the Financial Statements

for the year ended 31 March 2017

Corporate Information

The Company is engaged in manufacturing of Steering and suspension linkage products, steering gear products, and high precision aluminium die casting products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles, and farm tractors across the globe. The company has manufactuting locations at Tamilnadu, Pondicherry, Karnataka, Uttarkhand and Telangana.

Note 1 : Significant accounting policies

1.1 Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (to the extent notified and applicable) and Accounting Standard 30 on "Financial Instruments-Recognition and Measurement" as set out in Note 1.23 below. The financial statements have been prepared on accrual basis under the historical cost convention method. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

'All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the normal time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions that affects the reported amounts of assets and liabilities as of the Balance Sheet date, the reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of the financial statements. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialise.

1.3 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.5 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.

1.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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.:

Assets	Useful life (in years)
Vehicles	5 Years
Furniture and Fixtures	5 Years
Office Equipments (other than computers)	3 Years

Computers, Servers and Networks	3-4 Years
Capital tooling	3-5 Years

Cost of dies is amortised as per production of units method.

Cost of Leasehold land is amortised over the period of the lease. Leasehold land development costs are amortised over a period of ten years. Assets individually costing ₹ 10,000 or less are fully depreciated in the year of addition.

License fees paid for technical assistance are amortised on a straight line basis over the period of the license. Software license fees are amortised on a straight line basis over a period of three years.

Goodwill is amortised over a period of five years.

1.7 Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are recognized on inwarding of goods at customer's end, where applicable as per terms of sale (for domestic) and on the date of bill of lading (for Exports). Sales include excise duty but exclude sales tax and value added tax.

1.8 Other Income

Interest income is accounted on accrual basis.

1.9 Property, Plant and Equipment and Intangible Assets

Property, Plant and Equipment and Intangible assets are stated at cost of acquisition/construction less accumulated depreciation/ amortization, impairment loss, if any, and inclusive of borrowing cost attributable to acquisition of qualifying assets, where applicable, and adjustments for exchange differences referred to in Note 1.10 below. Cost includes inward freight, non-refundable duties/taxes and incidental expenses directly related to acquisition/installation. Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on 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.

Capital work-in-progress:

Projects under which Property, Plant and Equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advance paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as capital advances under long term loans and advances.

1.10 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.are restated at the closing exchange rates. Exchange differences arising on actual payments / realisations and year-end restatements of foreign currency monetary items, excluding long term foreign currency monetary items (see below), are dealt with in the Statement of Profit and Loss.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium or discount on forward exchange contracts (i.e. the difference between the forward exchange rate and the exchange rate at the date of transaction) is accounted for as income/ expense over the life of the contract if such contracts relate to monetary items as at the balance sheet date. Profit or loss on cancellation of forward contracts are recognized as income/ expense in the Statement of Profit and Loss for the year in which they are cancelled.

Refer notes 1.23 and 1.24 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions.

1.11 Export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.12 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

1.13 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits

a. Short term benefits

Short term Employee Benefits (i.e., benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis. 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 short-term 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.

b. Post-employment benefits

Post-employment benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

ii) Superannuation Fund

This is a defined contribution plan. The Company contributes, based on the options exercised by the eligible employees, a sum equivalent to 5%/10%/15% of eligible employees' applicable salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

iii) Gratuity

This is a defined benefit plan. The Company's scheme is administered by the LIC. The liability is determined based on year-end actuarial valuation by an independent actuary using 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.

c. Other 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.

d. Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed as incurred. Termination benefits falling due for more than twelve months after the balance sheet date are accounted using appropriate discount rates.

1.14 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to

the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Discount on commercial papers (the difference between the issue price and the redemption value) is apportioned on time basis and recognised as discounting expense.

1.15 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.16 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.17 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) 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 / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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.

1.18 Taxes on income

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 tax laws.

Minimum Alternate Tax (MAT) 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 the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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 virtual 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 Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability

1.19 Research and Development expenses

Revenue expenditure on Research and Development is charged off in the year in which it is incurred. Capital expenditure on Research and Development is included under Property, Plant and Equipment.

1.20 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

1.21 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

1.22 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

1.23 Hedge accounting

The Company uses derivative financial instruments such as foreign exchange forward contracts, option contracts, currency and interest rate swaps to hedge its exposure in movements in foreign exchange rates and interest rates relating to underlying transaction. These forward, option, currency and interest rate swap contracts are not used for trading/speculation purposes.

The Company adopted in an earlier year Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with existing mandatory applicable Accounting Standards and other relevant regulatory requirements.

In the case of forward and option contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in reserves (under the "Hedging Reserve Account", net of applicable deferred income taxes) and are reclassified into the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. However, the ineffective portion of the cash flow hedges, are recognized in the Statement of Profit and Loss as it arises.

1.24 Derivative contracts [other than forward exchange contracts covered under AS 11 (refer Note 1.10 above)]

The Company recognizes gains or losses from changes in fair values of forward, option, currency and interest rate swap contracts that are not designated in a hedge relationship through the Statement of Profit and Loss in the period in which they arise.

1.25 Insurance claims

'Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

1.26 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.27 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

₹ Crores

Note : 2		As at 31 March 2017	As at 31 March 2016
Share Capital			
(i)	**Authorised**		
	2,50,00,000 Equity Shares of ₹ 10 each with voting rights (As at 31 March 2016- 2,50,00,000 Equity Shares of ₹ 10 each with voting rights)	25.00	25.00
	1,05,00,000 - Cumulative Redeemable Preference Shares of ₹ 10 each (As at 31 March 2016 - 1,05,00,000 of ₹ 10 each)	10.50	10.50
(ii)	**Issued, Subscribed and Fully Paid Up**		
	1,05,10,649 Equity Shares of ₹ 10 each with voting rights (As at 31 March 2016- 1,05,10,649 Equity Shares of ₹ 10 each with voting rights)	10.51	10.51
	82,32,164, 6.74% Cumulative redeemable Preference Shares of ₹ 10 each (As at 31 March 2016 - 82,32,164, 6.74% of ₹ 10 each)	8.23	8.23
(iii)	**Number of Shares held by Holding Company**		
	- Rane Holdings Limited		
	- Equity Shares (Nos.)	59,18,156	59,18,156
	- Cumulative redeemable Preference Shares (Nos.)	82,32,164	82,32,164
(iv)	Number of Equity Shares outstanding as at the beginning of the period (Nos.)	1,05,10,649	1,05,10,649
	Add: Shares issued during the year (Nos.)	-	-
	Number of Equity Shares outstanding as at the end of the period (Nos.)	1,05,10,649	1,05,10,649
(v)	Number of Cumulative redeemable Preference Shares outstanding as at the beginning of the period (Nos.)	82,32,164	82,32,164
	Add: Cumulative redeemable Preference Shares issued during the year (Nos.)	-	-
	Number of Cumulative redeemable Preference Shares outstanding as at the end of the period (Nos.)	82,32,164	82,32,164
(vi)	Shares in the Company held by each shareholder holding more than 5 per cent shares		
	- Rane Holdings Limited		
	- Equity Shares (Nos.)	59,18,156	59,18,156
		56.31%	56.31%
	- Cumulative redeemable Preference Shares (Nos.)	82,32,164	82,32,164
		100%	100%

(vii) Rights, preferences and restrictions attached to Shares mentioned above:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

For the current year, the directors have proposed on 16th May 2017 a dividend of ₹ 4 per share to be paid on equity shares. The equity dividend is subject to approval by shareholders at Annual General Meeting and has not been included as a liability in the financial statements which is in compliance with AS 4 as revised vide MCA notification dated 30th March 2016. The total estimated equity dividend to be paid is ₹ 42,042,596 . The payment of this dividend is estimated to result in payment of dividend distribution tax of ₹ 85,59,032 @ 20.358% on the amount of dividends grossed up for the related dividend distribution tax.

The Preference shares shall have a face value of ₹ 10 and is entitled to receive a cumulative dividend at the rate of 6.74%. The preference share shall have a tenure of maximum 20 years. The Preference shares are redeemable before 20 years at the option of the share holders

₹ Crores

Note : 3		As at 31 March 2017	As at 31 March 2016
Reserves and Surplus			
(i)	**Reserves**		
	Capital Subsidy	0.50	0.50
	Amalgamation adjustment account	(0.20)	(0.20)
	Capital Redemption Reserve	4.50	4.50
	Securities Premium Account	3.57	3.57
	Hedge Reserve Account		
	Balance as at the beginning of the year	(0.56)	0.27
	Less: Additions/(Deductions)	0.55	(0.83)
	Balance at the end of the year	(0.01)	(0.56)
	General Reserve	127.70	127.70
	Total	**136.06**	**135.51**
(ii)	**Surplus in statement of Profit and Loss**		
	Balance as at the beginning of the year	6.37	6.37
	Add:		
	Profit for the year as per Statement of Profit and Loss	18.96	14.09
	Less: Appropriations		
	Interim Dividend on Equity Shares -@ 20% (previous year -45%)	2.10	4.73
	Preference Dividend	0.56	0.56
	Tax on dividends	0.54	1.08
	Transfer to General Reserve	-	7.72
		3.20	**14.09**
	Balance as at the end of the year	**22.13**	**6.37**
	Total Reserves and Surplus	**158.19**	**141.88**

₹ Crores

Note : 4		As at 31 March 2017	As at 31 March 2016
Long-term Borrowings			
Secured			
4.1	External Commercial Borrowings from Banks	-	2.10
	Less: Current maturities of Long Term Debt referred to in Note 10	-	2.10
		-	**-**
4.2	Term Loans from a company (Refer note below)	0.56	2.81
	Less: Current maturities of Long Term Debt referred to in Note 10	0.56	2.25
		-	**0.56**
4.3	Term Loans from Banks	144.65	161.20
	Less: Current maturities of Long Term Debt referred to in Note 10	23.79	37.80
		120.86	**123.40**
Unsecured			
4.4	Term Loans from a company (Refer note below)	0.10	0.47
	Less: Current maturities of Long Term Debt referred to in Note 10	0.10	0.37
		-	**0.10**
4.5	Fixed Deposits :		
	From Related Parties	-	0.22
	From others	-	1.01
	Less: Current maturities of Long Term Debt referred to in Note 10	-	1.22
		-	**0.01**
	Total	**120.86**	**124.07**

The details of the interest rate, tenor, repayment terms, nature of security etc. of the long term borrowings are as under:

Secured		
	Nature of Security	**Terms of Repayment**
4.1	ECB Loans from Standard Chartered Bank (SCB) and DBS Bank Limited (DBS) is secured on a pari passu basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	SCB - ECB loan amounting to ₹ 16.80 crores is repayable in 16 equal quarterly installments commencing from December 2012 along with interest at the rate of 7.95% per annum. The balance outstanding as at 31 March 2017 is ₹ Nil (As at 31 March 2016 - ₹ 2.10 Crores).
4.2	Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly secured on the respective machinery of Hyderabad Plant .	RTSS Loan - INR Loan from Rane TRW Steering Systems Private Limited amounting to ₹ 10 Crores which is repayable in 16 equal instalments commencing from September 2013 with an interest of 9% per annum. The balance outstanding as on 31 March 2017 is ₹ 0.66 Crores (As on 31 March 2016 - ₹ 3.28 Crores) which is secured to the extent of ₹ 0.56 Crores on the respective machinery of Hyderabad Plant and unsecured to the extent of ₹ 0.10 Crores
4.3	The INR Term Loans from HDFC Bank Ltd , Kotak Mahindra Bank Ltd and Canara Bank Ltd are secured on a pari passu basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	a) HDFC Bank - INR Long Term Loan amounting ₹ 20 Crores is repayable in 8 quarterly Instalments commencing from December 2014 with 1 Year of Moratorium along with an Interest at the rate of 10.55% per annum (Base Rate+ 125 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ Nil.(As at 31 March 2016 - ₹ 5 crores).
		b) HDFC Bank - INR Long Term Loan amounting ₹ 30 Crores is repayable in 12 quarterly Instalments commencing from January 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.45% per annum (Base Rate+ 10 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ 29.40 Crores. (As at 31 March 2016 - ₹ 29.40 crores).
		c) HDFC Bank - INR Long Term Loan amounting ₹ 15 Crores is repayable in 12 quarterly Instalments commencing from July 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.10% per annum (Year MCLR + 5 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ 15.00 Crores.
		d) HDFC Bank - INR Long Term Loan amounting ₹ 15 Crores is repayable in 12 quarterly Instalments commencing from December 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.10% per annum (3 Year MCLR + 5 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ 8.90 Crores.
		e) Kotak Mahindra Bank Ltd - INR Long Term Loan amounting ₹ 45 Crores is repayable in 16 equal quarterly Instalments commencing from November 2015 with 1 Year of Moratorium period along with an Interest at the rate of 10.25% per annum (Base Rate+ 25 Basis points). The Balance Outstanding as at 31st March 2017 is ₹ 28.07 Crores. (As at 31 March 2016 -₹ 39.29 Crores).
		f) Canara Bank Ltd - INR Long Term Loan amounting ₹ 45 Crores is repayable in 20 equal quarterly Instalments commencing from May 2016 with 1.5 Years of Moratorium period along with an Interest at the rate of 10.45% per annum (Base Rate+ 25 Basis points). The Balance Outstanding as at 31st March 2017 is ₹ 32.17 Crores. (As at 31 March 2016 -₹ 43.83 Crores).

	Nature of Security	Terms of Repayment
	The INR Term Loans from ING Vysya and Yes Bank is secured on a pari passu basis by a first charge created on the Company's Diecast Business's immovable properties both present and future and are also secured by hypothecation of the Company's Diecast Business's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	g) ING Vysya Bank - INR Long Term Loan amounting to ₹ 3.20 Crores is repayable in 13 Quarterly Instalments commencing from September 2014 with 6 months of Moratorium period along with an interest rate of 11.15% per annum. The Balance Outstanding as on 31 March 2017 is ₹ 0.49 Crores (As at 31 March 2016 - ₹ 1.63 Crores).
		h) Yes Bank Ltd - INR Long Term Loan amounting to ₹ 3.5 Crores is repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period along with an interest of 11.5% per annum. The Balance outstanding as on 31 March 2017 is ₹ 0.62 Crores (As at 31 March 2016 -₹ 1.44 Crores).
	Export -Import Bank of India (EXIM) is secured on a pari passu basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	i) EXIM Bank - USD Long Term Loan amounting 16.00 Lakh dollars is subject to Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January 2016 along with interest LIBOR (6Months) +375 Basis points p.a payable with quarterly rests.The balance outstanding as at 31 March 2017 is ₹ Nil (As at 31 March 2016 -₹ 10.61 Crores).
	Corporate Rupee loan from ICICI Bank Ltd is secured on a first Pari Passu charge on Property, Plant and Equipment of the company both present and future(except Velachery property) and second Pari Passu charge on Current assets both present and future.	j) ICICI Bank - INR Long Term Loan amounting ₹ 30 Crores is repayable in 12 equal quarterly Instalments commencing from January 2016 with 3 Years of Moratorium period along with an Interest at the rate of 9.50% per annum. The Balance Outstanding as at 31st March 2017 is ₹ 30 Crores (As at 31 March 2016 -₹ 30 crores)
Unsecured		
4.4	Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	RTSS Loan - INR Loan from Rane TRW Steering Systems Private Limited amounting to ₹ 10 Crores which is repayable in 16 equal instalments commencing from September 2013 with an interest of 9% per annum. The balance outstanding as on 31 March 2017 is ₹ 0.66 Crores (As on 31 March 2016 - ₹ 3.28 Crores) which is secured to the extent of ₹ 0.56 Crores on the respective machinery of Hyderabad Plant and unsecured to the extent of ₹ 0.10 Crores

4.5 Fixed deposits

Fixed Deposits are accepted for 2 or 3 years on cumulative / non-cumulative basis

₹ Crores

	As at 31 March 2017	As at 31 March 2016
Amounts maturing from Balance Sheet date		
Within one year	-	1.22
After one year and upto two years	-	0.01
After two years and upto three years	-	-
Total	-	1.23
Rate of Interest		Interest Payable Quarterly
Cumulative / Non-Cumulative deposit scheme		
For 2012 Scheme		
for 2 Years	9.50% p.a.	9.50% p.a.
for 3 Years	9.50% p.a.	9.50% p.a.
For 2013 Scheme		
for 2 Years	9.50% p.a.	9.50% p.a.
for 3 Years	9.50% p.a.	9.50% p.a.

Additional interest of 0.5% p.a. is paid to employees / retired employees of Rane Group

In respect of the Fixed Deposits , Company has repaid all the Fixed Deposits and there are no outstanding as at 31 March 2017 as per the original terms of acceptance of such deposits. The Company has obtained permission from Company Law Board (CLB) on 16 September 2015 to repay the deposits on the respective maturity dates in accordance with the terms of acceptance of these deposits, as stipulated under Section 74 of the Companies Act 2013.

₹ Crores

Note : 5	As at 31 March 2017	As at 31 March 2016
Deferred Tax Liabilities (Net)		
(i) Liabilities:		
Difference between book and tax written down value of Depreciable Assets		
- In respect of which the difference between book and tax written down value will reverse after the expiry of the tax holiday period	1.53	1.58
- Others	19.15	17.83
	20.68	**19.41**
(ii) Assets:		
Provision for expenses allowable on payment basis	(5.91)	(4.94)
Termination benefit under Voluntary Retirement Scheme	(1.88)	(3.00)
Others	(3.99)	(3.46)
	(11.78)	**(11.40)**
Net Deferred Tax Liability as at the year end [(i) + (ii)]	**8.90**	**8.01**

₹ Crores

Note : 6	As at 31 March 2017	As at 31 March 2016
Other Long term liabilities		
Termination benefit under Voluntary Retirement Scheme	0.15	0.14
Total	**0.15**	**0.14**

₹ Crores

Note : 7	As at 31 March 2017	As at 31 March 2016
Long term provisions		
Provision for compensated absences	4.78	4.15
Provision for Product warranty (Refer Note : 11)	2.68	3.30
Total	**7.46**	**7.45**

₹ Crores

Note : 8	As at 31 March 2017	As at 31 March 2016
Short-term borrowings		
Secured Loans from Banks *		
Loans repayable on demand	0.86	1.04
Commercial paper (Maximum amount outstanding at any time during the year - ₹ 40 Crores / Previous year - ₹ 40 Crores)	40.00	40.00
Other loans	82.22	63.82
Unsecured Loans		
Sales Tax Deferral	0.08	0.08
Other loans from banks	15.42	6.00
Total	**138.58**	**110.94**

* Secured loans include cash credit, packing credit, commercial paper and working capital demand loan from banks and are secured on a pari passu basis by a first charge by way of hypothecation of inventories and book debts and are also secured by a second charge on all immovable properties and movable Property, Plant and Equipment of the Company both present and future.

₹ Crores

Note : 9	As at 31 March 2017	As at 31 March 2016
Trade payables		
Total outstanding dues of Creditors other than Micro enterprises		
Acceptances	22.84	20.25
Others	144.22	105.02
	167.06	125.27
Total outstanding dues of Micro enterprises and small enterprises	13.21	11.42
Total	**180.27**	**136.69**
Micro and Small Enterprises :		
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	13.19	11.28
- Interest	0.02	0.14
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	-	-
- Interest	0.14	0.10

₹ Crores

	As at 31 March 2017	As at 31 March 2016
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	13.51	15.04
- Interest	0.09	0.14
The amount of interest accrued and remaining unpaid at the end of the year Nil [(Previous year ₹ 0.14 crores) being interest outstanding as at the beginning of the accounting year]	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	0.11	0.15

₹ Crores

Note : 10	As at 31 March 2017	As at 31 March 2016
Other current liabilities		
Current maturities of Long term debt (Refer Note 4)	24.45	43.74
Interest accrued but not due on borrowings	1.37	1.55
Unpaid dividend *	0.17	0.14
Unpaid matured deposits and interest accrued thereon *	-	0.02
Others :		
Derivative Liability	0.01	0.56
Advance from customers	0.65	1.10
Commission payable	0.51	0.45
Statutory dues (incl. Provident Fund, Excise Duty and Tax Deducted at Source)	6.39	7.53
Payables on purchase of Property, Plant and Equipment	8.61	2.15
Security deposit received	0.34	0.30
Gratuity	5.56	4.50
Total	**48.06**	**62.04**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

₹ Crores

Note : 11	As at 31 March 2017	As at 31 March 2016
Short-term provisions		
Provision for compensated absences	1.03	0.81
Provision for Product warranty *	3.02	1.51
Proposed dividend on preference Shares	0.56	0.56
Tax on proposed dividend	0.11	0.11
Total	**4.72**	**2.99**
*** Movement in Provision for Product Warranty (Also refer Note 7)**		
Balance at the beginning of the year	4.81	4.53
Provision made during the year	1.16	0.88
Provision used against claims settled during the year	0.27	0.60
Balance at the end of the year	**5.70**	**4.81**

Note : 12
Property, Plant and Equipment - Current Year

₹ Crores

	Description	Gross Block						Depreciation / Amortisation				Net Block	
				Adjustments during the year									
		Cost as at 31 March 2016	Additions	Borrowing cost capitalised	Effect of foreign currency exchange differences Refer note 47	Deletions	Cost as at 31 March 2017	Upto 31 March 2016	For the year	On Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
(i)	**Property, Plant and Equipment**												
	Land - Freehold	26.00	-	-	-	-	26.00	-	-	-	-	26.00	26.00
	Land - Leasehold	0.72	-	-	-	-	0.72	0.06	-	-	0.06	0.66	0.66
	Leasehold Land Development Costs	0.77	-	-	-	-	0.77	0.63	0.09	-	0.72	0.05	0.14
	Buildings	78.82	5.48	-	-	-	84.30	12.16	3.03	-	15.19	69.11	66.66
	Plant and Machinery	382.17	41.52	0.09	-	2.74	421.04	180.05	38.40	2.30	216.15	204.89	202.12
	Furniture and Fixtures	6.39	0.46	-	-	0.04	6.81	4.14	0.65	0.03	4.76	2.05	2.25
	Vehicles	1.19	0.06	-	-	-	1.25	0.95	0.12	-	1.07	0.18	0.24
	Office Equipments	15.59	2.30	-	-	0.01	17.88	12.18	1.92	0.01	14.09	3.79	3.41
	Total	**511.65**	**49.82**	**0.09**	**-**	**2.79**	**558.77**	**210.17**	**44.21**	**2.34**	**252.04**	**306.73**	**301.48**
(ii)	**Intangible Assets**												
	Licenses	4.61	1.50	-	-	-	6.11	4.05	0.41	-	4.46	1.65	0.56
	Goodwill	10.16	-	-	-	-	10.16	6.10	2.03	-	8.13	2.03	4.06
	Total	**14.77**	**1.50**	**-**	**-**	**-**	**16.27**	**10.15**	**2.44**	**-**	**12.59**	**3.68**	**4.62**
	Total Property, Plant and Equipment and Intangible assets	**526.42**	**51.32**	**0.09**	**-**	**2.79**	**575.04**	**220.32**	**46.65**	**2.34**	**264.63**	**310.41**	**306.10**
(iii)	**Capital work in progress**											**27.09**	**7.37**
Total												**337.50**	**313.47**

Note : 12
Property, Plant and Eqipment - Previous Year

₹ Crores

	Description	Gross Block						Depreciation / Amortisation				Net Block	
		Cost as at 31 March 2015	Additions	Adjustments during the year: Borrowing cost capitalised	Adjustments during the year: Effect of foreign currency exchange differences Refer note 47	Deletions	Cost as at 31 March 2016	Upto 31 March 2015	For the year	On Deletions	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
(i)	**Property, Plant and Equipment**												
	Land - Freehold	24.74	1.26	-	-	-	26.00	-	-	-	-	26.00	24.74
	Land - Leasehold	0.72	-	-	-	-	0.72	0.06	-	-	0.06	0.66	0.66
	Leasehold Land Development Costs	0.77	-	-	-	-	0.77	0.54	0.09	-	0.63	0.14	0.23
	Buildings	55.64	21.21	1.97	-	-	78.82	9.66	2.50	-	12.16	66.66	45.98
	Plant and Machinery	309.65	73.73	2.09	0.38	3.68	382.17	151.38	31.90	3.23	180.05	202.12	158.27
	Furniture and Fixtures	4.96	1.51	0.05	-	0.13	6.39	3.73	0.51	0.10	4.14	2.25	1.23
	Vehicles	1.19	0.04	-	-	0.04	1.19	0.85	0.14	0.04	0.95	0.24	0.34
	Office Equipments	13.92	1.69	-	-	0.02	15.59	10.40	1.80	0.02	12.18	3.41	3.52
	Total	**411.59**	**99.44**	**4.11**	**0.38**	**3.87**	**511.65**	**176.62**	**36.94**	**3.39**	**210.17**	**301.48**	**234.97**
(ii)	**Intangible Assets**												
	Licenses	4.21	0.40	-	-	-	4.61	3.65	0.40	-	4.05	0.56	0.56
	Goodwill	10.16	-	-	-	-	10.16	4.06	2.04	-	6.10	4.06	6.10
	Total	**14.37**	**0.40**	**-**	**-**	**-**	**14.77**	**7.71**	**2.44**	**-**	**10.15**	**4.62**	**6.66**
	Total Property, Plant and Equipment and Intangible assets	**425.96**	**99.84**	**4.11**	**0.38**	**3.87**	**526.42**	**184.33**	**39.38**	**3.39**	**220.32**	**306.10**	**241.63**
(iii)	**Capital work in progress**											**7.37**	**29.47**
Total												**313.47**	**271.10**

₹ Crores

Note : 13	As at 31 March 2017	As at 31 March 2016
Investments		
Investment in wholly owned subsidiary:		
Rane (Madras) International Holdings, B.V (1 Share of Euro 1 each)	0.15	0.15
Total	**0.15**	**0.15**

₹ Crores

Note : 14	As at 31 March 2017	As at 31 March 2016
Long Term Loans and Advances (Unsecured considered good)		
Capital Advances	2.68	1.93
Deposits with Government authorities:		
i) Security deposits	7.29	6.34
ii) Amount paid to statutory authorities	2.84	1.81
Advance Income Tax [Net of Provision for tax ₹ 50.05 crores (previous year ₹ 44.77 crores)]	7.65	8.68
MAT credit entitlement	12.54	11.08
Total	**33.00**	**29.84**

₹ Crores

Note : 15	As at 31 March 2017	As at 31 March 2016
Other Non current assets		
Tooling cost recoverable	7.82	-
Interest accrued	0.96	-
Total	**8.78**	**-**

₹ Crores

Note : 16	As at 31 March 2017	As at 31 March 2016
Inventories (Valued at Lower of Cost and Net Realisable Value)		
Raw Materials and Components *	19.19	16.54
Work-in-Progress *	10.59	8.41
Finished Goods *	64.70	54.52
Goods in transit *	4.01	3.71
Stores and Spares	11.82	10.17
Total	**110.31**	**93.35**
* Refer Note 32		

₹ Crores

Note : 17	As at 31 March 2017	As at 31 March 2016
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from due date for payment:		
Considered doubtful	2.69	1.58
Less: provision for doubtful receivables	2.69	1.58
Other debts:		
Considered good	147.51	121.80
Considered doubtful	0.86	0.95
Less: provision for doubtful receivables	0.86	0.95
Total	**147.51**	**121.80**

₹ Crores

Note : 18	As at 31 March 2017	As at 31 March 2016
Cash and Bank balances		
Cash and Cash equivalents		
Cash on hand	0.15	0.12
Bank balance in current accounts	2.77	1.50
EEFC account	0.02	0.03
Other bank balances		
Deposit accounts (Includes ₹ Nil (Previous year ₹ 0.14 Crores) lodged with government authorities)	0.19	0.83
Margin money Deposits	0.15	0.15
Earmarked Accounts		
Unpaid Dividend accounts	0.17	0.14
Interest warrant accounts	-	0.01
Total	**3.45**	**2.78**

₹ Crores

Note : 19	As at 31 March 2017	As at 31 March 2016
Short term loans and advances (Unsecured)		
Considered good		
Prepaid expenses	2.59	1.31
Advance to suppliers	4.02	3.40
Loans to employees	0.28	0.54
Balance with Customs and Excise Authorities	19.25	16.67
Export Entitlements	7.14	5.22
Claims receivable	0.69	0.34
Advance Fringe Benefits Tax	0.03	0.03
Other Deposits	0.03	0.02
Loan to RMIH. BV	6.48	13.26
Considered doubtful		
Advance to Suppliers	0.21	0.84
Less: provision for doubtful loans and advances	0.21	0.84
Total	**40.51**	**40.79**

₹ Crores

Note : 20	As at 31 March 2017	As at 31 March 2016
Other current assets		
Interest accrued on bank deposits	0.39	0.47
Unamortised finance costs	0.68	0.69
Insurance claims receivable	2.19	2.42
Tooling cost recoverable	1.46	7.19
Total	**4.72**	**10.77**

₹ Crores

Note : 21	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from Operations		
Sale of Products *	1,059.35	911.89
Less : Excise Duty	93.44	82.52
Net Sale of Products (i)	**965.91**	**829.37**
Other operating revenues :		
Sale of scrap	13.76	13.33
Less : Excise Duty	1.40	1.33
	12.36	12.00
Sale of raw materials	2.97	1.31
Less : Excise Duty	0.36	0.28
	2.61	1.03
Export entitlements	10.55	6.03
Sale of Tools	11.88	12.48
Net other operating revenues (ii)	**37.40**	**31.54**
Total (i) + (ii)	**1,003.31**	**860.91**
* Refer Note 35		

₹ Crores

Note : 22		Year ended 31 March 2017	Year ended 31 March 2016
Other Income			
Interest Income	- on Deposits	0.27	0.32
	- on Supplier payments	0.10	0.10
Interest Income from RMIH B.V investments		0.87	0.09
Other Non-operating income		0.73	1.05
Amenities income		0.01	0.02
Total		**1.98**	**1.58**

₹ Crores

Note : 23	Year ended 31 March 2017	Year ended 31 March 2016
Cost of Materials consumed		
Opening stock	16.54	17.31
Add: Purchases	558.76	480.97
Less: Closing stock	19.19	16.54
Raw materials and Components consumed *@	**556.11**	**481.74**
Freight inward	11.58	9.06
Job work expenses	31.24	23.36
Total	**598.93**	**514.16**
* includes cost of raw materials and components sold	2.70	1.18
@ Refer Note 36		

₹ Crores

Note : 24	Year ended 31 March 2017	Year ended 31 March 2016
Changes in inventories of finished goods and work in progress		
Opening Stock :		
Work-in-progress	8.41	8.01
Finished Goods	58.23	51.22
Total - A	**66.64**	**59.23**
Less :		
Closing Stock		
Work-in-progress	10.59	8.41
Finished Goods	68.71	58.23
Total - B	**79.30**	**66.64**
(Increase) / Decrease in Stocks (A – B)	**(12.66)**	**(7.41)**

₹ Crores

Note : 25	Year ended 31 March 2017	Year ended 31 March 2016
Employee benefit expenses		
Salaries and Wages	93.97	81.78
Contributions to:		
Provident Fund	5.38	4.15
Superannuation Fund	0.84	0.77
National Pension Scheme contribution	0.06	0.05
Gratuity Fund	2.29	1.88
Staff Welfare Expenses	13.02	9.62
Total	**115.56**	**98.25**

Employee Benefits

A. **Gratuity :** In keeping with the Company's Gratuity Scheme (defined benefit plan) eligible employees are entitled to gratuity benefit (at one half month's eligible salary for each completed year of service) on retirement/death/incapacitation/ termination etc. Also refer Note 1. 13(b) (iii) for accounting policy relating to gratuity.

Following are the further particulars relating to gratuity.

₹ Crores

		2016-17	2015-16
I	**Reconciliation of opening and closing balances of the present value of the Defined benefit obligation**		
	Present value of obligation as at the beginning of the year	12.53	12.13
	Interest cost	0.98	0.86
	Current service cost	1.03	0.97
	(Benefits paid)	(0.53)	(2.05)
	Actuarial (Gain) / Loss	0.91	0.62
	Present value of obligation as at the end of the year	**14.92**	**12.53**
II	**Reconciliation of opening and closing balances of the Fair value of the plan assets**		
	Fair value of plan assets at the beginning of the year	8.03	8.22
	Expected return on plan assets	0.75	0.70
	Contributions	1.23	1.29
	(Benefits paid)	(0.53)	(2.05)
	Actuarial (Loss)/Gain	(0.12)	(0.13)
	Fair value of plan assets at the end of the year	**9.36**	**8.03**
III	**Reconciliation of present value of Defined Benefit Obligation in 'I' above and fair value of plan assets in 'II' above**		
	Present value of the obligation at the end of the year	14.92	12.53
	Fair value of plan assets at the end of the year	9.36	8.03
	Liability recognised in the Balance Sheet	**5.56**	**4.50**

Note : 25 (Contd.)

₹ Crores

		2016-17	2015-16
IV	**Expense Charged to Statement of Profit and Loss**		
	Current service cost	1.03	0.97
	Interest cost	0.98	0.86
	Expected return on plan assets	(0.75)	(0.70)
	Actuarial Loss / (Gain)	1.03	0.75
	Expense recognised in the Statement of Profit and Loss*	**2.29**	**1.88**
	* Included in contribution to 'Gratuity Fund' under Employee Costs of respective years.		
V	**Percentage of each category of Plan assets to total Fair Value of Plan Assets**		**Funds managed by LIC**
VI	**Actual return on Plan Assets**	**0.63**	**0.57**
VII	**Principal Actuarial Assumptions at Balance Sheet date**		
	Discount rate	7.40%	8.00%
	Expected rate of salary increase		
	- Executives and Staff	8.00%	8.00%
	- Operators	6.00%	6.00%
	Expected rate of return on plan assets	9.00%	9.00%
	Attrition rate		
	- Executives and Staff	8.00%	8.00%
	- Operators	3.00%	3.00%

VIII	**Experience Adjustments ***	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
	Present Value of obligation	14.92	12.53	12.13	9.76	11.47
	Plan Assets	9.36	8.03	8.22	6.81	8.52
	Surplus / (Deficit)	(5.56)	(4.50)	(3.91)	(2.95)	(2.95)
	Experience adjustments on plan liabilities - (Loss) / Gain	(0.34)	(0.78)	(0.30)	(0.49)	(0.90)
	Experience adjustments on plan assets - (Loss) / Gain	(0.08)	(0.15)	(0.07)	(0.11)	(0.04)
IX	**Enterprises' best estimate of contribution during the next year**	5.56	4.50	3.91	2.95	2.95

* Experience adjustment has been disclosed upto FY 2012-13 based on the information available in the actuarial valuation report.

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

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

Note : 25 (Contd.)

B. Compensated Absences

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

	2016-17	2015-16
Principal Actuarial Assumptions at Balance Sheet date		
Discount rate	7.40%	8.00%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	6.00%	6.00%
Attrition rate		
- Executives and Staff	8.00%	8.00%
- Operators	3.00%	3.00%

₹ Crores

Note : 26	**Year ended 31 March 2017**	**Year ended 31 March 2016**
Finance costs		
Interest expense on		
- Borrowings from Banks @	22.95	14.06
- Fixed Deposits (*)	0.04	0.25
- Borrowing from related party	0.20	0.42
- Others	0.13	0.32
Other borrowing costs		
- Discount on Commercial paper	3.06	2.73
- Other borrowing costs	0.67	1.18
Total	**27.05**	**18.96**
* include interest paid/payable to Directors	-	*
@ Net of borrowing cost capitalized (Refer note 47)		

₹ Crores

Note : 27	Year ended 31 March 2017	Year ended 31 March 2016
Other expenses		
Stores, Spares and Tools consumed	43.05	33.44
Packing materials consumed	21.88	18.55
Increase / (Decrease) of excise duty on inventory	0.05	(1.04)
Power and Fuel	25.47	21.12
Repairs and Maintenance :		
- Buildings	3.17	3.21
- Plant and Machinery	7.59	6.90
- Others	8.04	7.00
Rent	1.10	1.19
Insurance	2.90	2.44
Rates and Taxes	0.97	1.43
Travelling and Conveyance	9.25	8.02
Professional Charges	9.61	12.28
Royalty and Technical Fees	0.64	0.25
Information Systems	3.90	3.43
Commission to Chairman	0.51	0.45
Freight Outward and Storage charges	28.89	23.22
Advertisement and Sales Promotion	6.10	6.71
Discount and Incentive	14.00	13.86
Product Warranty	1.16	1.16
Trade Mark	4.96	4.26
Provision for Doubtful Trade receivables and advances (Net of Write back)	0.79	0.32
Directors' Sitting Fees	0.13	0.15
Payment to auditors as auditors		
- Statutory Audit Fee	0.27	0.24
- Tax Audit Fee	0.03	0.03
- Limited Review Fee	0.06	0.06
- Certification Fee	0.05	0.05
- Reimbursement of expenses	0.01	*
Net loss on foreign currency transactions	3.88	2.99
Loss on sale of assets	0.25	0.14
Donation	0.40	0.43
Miscellaneous Expenses	6.98	5.50
Total	**206.09**	**177.79**
* Amount is below the rounding off norm adopted by the Company		
The company has incurred an amount of ₹ 0.48 Crores towards Corporate Social Responsibility activities during the current year ended 31 March 2017.		

Note: 28 Related Party Disclosures

		2016-17	2015-16
(a)	List of related parties where control exists		
	Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
	Subsidiary	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc. (RPDC)	Rane (Madras) International Holdings B.V (RMIH) Rane Precision Diecasting Inc. (RPDC)
(b)	Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c)	Relative of KMP	L Lakshman Meenakshi Ganesh Aditya Ganesh Aparna Ganesh Shanthi Narayan Vanaja Aghoram	L Lakshman Meenakshi Ganesh Aditya Ganesh Aparna Ganesh Shanthi Narayan Vanaja Aghoram
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation L Lakshman (HUF) L Ganesh (HUF)	Rane Foundation L Lakshman (HUF) L Ganesh (HUF)
(e)	Other Related parties where transactions has taken place		
	Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)
	Joint ventures of the Holding company	Rane TRW Steering Systems Private Limited (RTSS) Rane NSK Steering Systems Private Limited (RNSS)	Rane TRW Steering Systems Private Limited (RTSS) Rane NSK Steering Systems Private Limited (RNSS)
	Associate of the Holding company	SasMos HET Technologies Limited	SasMos HET Technologies Limited

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

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Transaction during the year																
Professional Charges	2.86	3.89	-	-	-	-	-	-	-	-	-	-	-	-	2.86	3.89
Professional charges - REVL			-	-	-	-	-	-	-	-	0.06	0.10	-	-	0.06	0.10
Software Expenses	4.23	3.08	-	-	-	-	-	-	-	-	-	-	-	-	4.23	3.08
Training Expenses	0.82	0.59	-	-	-	-	-	-	-	-	-	-	-	-	0.82	0.59
Miscellaneous Expenses	0.73	0.17	-	-	-	-	-	-	-	-	-	-	-	-	0.73	0.17
Trademark Fee	5.57	4.02	-	-	-	-	-	-	-	-	-	-	-	-	5.57	4.02
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	1.74	2.34	-	-	1.74	2.34
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	12.98	17.92	-	-	12.98	17.92
Job Charges-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.11	0.05	0.11	0.05
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	7.05	6.08	7.05	6.08
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	24.61	20.21	24.61	20.21

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.19	0.42	0.19	0.42
Donation-Rane Foundation	-	-	-	-	-	-	-	-	0.39	0.43	-	-	-	-	0.39	0.43
Interest free Loan-Rane Foundation	-	-	-	-	-	-	-	-	-	(0.50)	-	-	-	-	-	(0.50)
Commission to Chairman	-	-	-	-	0.51	0.45	-	-	-	-	-	-	-	-	0.51	0.45
Equity contribution-RMIH	-	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-	0.15
Term Loan to subsidiary-RMIH	-	-	6.48	13.26	-	-	-	-	-	-	-	-	-	-	6.48	13.26
Repayment of Term Loan by subsidiary-RMIH	-	-	(13.33)	-	-	-	-	-	-	-	-	-	-	-	(13.33)	-
Interest on term loan - RMIH	-	-	0.87	0.09	-	-	-	-	-	-	-	-	-	-	0.87	0.09
Standby letter of credit-RPDC	-	-	(13.65)	13.65	-	-	-	-	-	-	-	-	-	-	(13.65)	13.65
Corporate Gurantee-RMIH and RPDC	-	-	82.96	-	-	-	-	-	-	-	-	-	-	-	82.96	-
Salaries - Mr. S Parthasarathy	-	-	-	-	1.38	1.14	-	-	-	-	-	-	-	-	1.38	1.14
Interest paid on Fixed Deposits	-	-	-	-	-	*	*	0.03	-	*	-	-	-	-	*	0.03
Sitting Fees	-	-	-	-	0.02	0.02	0.03	0.03	-	-	-	-	-	-	0.05	0.05
Fixed Deposits accepted / (repaid)	-	-	-	-	-	(0.05)	(0.20)	(0.05)	-	(0.02)	-	-	-	-	(0.20)	(0.12)
Balance as at year end																
Fixed Deposits outstanding	-	-	-	-	-	-	-	0.20	-	-	-	-	-	-	-	0.20
Payables	3.03	2.01	-	-	0.51	0.45	-	-	-	-	0.48	0.81	0.55	1.19	4.57	4.46
Receivables	-	-	-	-	-	-	-	-	-	-	0.06	0.02	2.81	3.30	2.88	3.32
Equity -RMIH	-	-	0.15	0.15	-	-	-	-	-	-	-	-	-	-	0.15	0.15
Loan to subsidiary-RMIH	-	-	6.48	13.26	-	-	-	-	-	-	-	-	-	-	6.48	13.26
Interest on term loan - RMIH	-	-	0.96	0.09	-	-	-	-	-	-	-	-	-	-	0.96	0.09
Standby letter of credit-RPDC	-	-	-	13.65	-	-	-	-	-	-	-	-	-	-	-	13.65
Corporate Gurantee-RMIH and RPDC	-	-	82.96	-	-	-	-	-	-	-	-	-	-	-	82.96	-
Term loan payable-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.66	3.28	0.66	3.28

Details of Related Party transactions :

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Interest paid on Fixed Deposits																
Mr L Ganesh	–	–	–	–	–	*	–	–	–	–	–	–	–	–	–	*
Mrs Vanaja Aghoram	–	–	–	–	–	–	–	*	–	–	–	–	–	–	–	*
Mrs Shanthi Narayan	–	–	–	–	–	–	*	0.02	–	–	–	–	–	–	*	0.02
Mr L Lakshman HUF	–	–	–	–	–	–	–	–	–	*	–	–	–	–	–	*
Fixed Deposits accepted / (repaid)																
Mr L Ganesh	–	–	–	–	–	(0.05)	–	–	–	–	–	–	–	–	–	(0.05)
Mrs Vanaja Aghoram	–	–	–	–	–	–	–	(0.05)	–	–	–	–	–	–	–	(0.05)
Mr L Lakshman HUF	–	–	–	–	–	–	–	–	–	(0.02)	–	–	–	–	–	(0.02)
Mrs Shanthi Narayanan	–	–	–	–	–	–	(0.20)	–	–	–	–	–	–	–	(0.20)	–
Fixed Deposits outstanding																
Mrs Shanthi Narayan	–	–	–	–	–	–	–	0.20	–	–	–	–	–	–	–	0.20
Payables																
RHL	3.03	2.01	–	–	–	–	–	–	–	–	–	–	–	–	3.03	2.01
Mr L Ganesh	–	–	–	–	0.51	0.45	–	–	–	–	–	–	–	–	0.51	0.45
REVL	–	–	–	–	–	–	–	–	–	–	0.40	0.61	–	–	0.40	0.61
RHAI	–	–	–	–	–	–	–	–	–	–	0.08	0.19	–	–	0.08	0.19
RTSS	–	–	–	–	–	–	–	–	–	–	–	–	0.01	–	0.01	–
RNSS	–	–	–	–	–	–	–	–	–	–	–	–	0.54	1.19	0.54	1.19
Receivables																
RHAI	–	–	–	–	–	–	–	–	–	–	0.06	–	–	–	0.06	–
RTSS	–	–	–	–	–	–	–	–	–	–	–	–	2.81	3.30	2.81	3.30
REVL	–	–	–	–	–	–	–	–	–	–	–	0.02	–	–	–	0.02

*Amount is below the rounding off norm adopted by the Company

₹ Crores

Note : 29	As at 31 March 2017	As at 31 March 2016
Contingent Liabilities, Guarantees and Commitment		
Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
(i) Income Tax matters under appeal by the Company	18.28	18.15
(ii) Central Excise, Service Tax and Sales tax matters under appeal by the Company	4.61	14.43
(iii) Labour related matters under appeal by the Company	2.10	1.24
Others		
(i) Income Tax matters under appeal by the Department	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/ decisions pending at various authorities		
Guarantees and Letter of Credit		
Outstanding bank guarantees	0.47	1.07
Corporate guarantee	82.96	-
Letter of credit	9.51	18.83
Bill Discounting		
Out standing	3.52	26.18
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 2.46 crores (previous year ₹ 1.55 crores)]		
Tangible assets	12.64	8.18
Total	**134.40**	**88.39**

₹ Crores

Note : 30	As at 31 March 2017	As at 31 March 2016
The final dividend proposed for the year is as follows:		
On Equity Shares of ₹ 10 each		
Interim dividend proposed during the year	2.10	4.73
Dividend per equity share	₹ 2.00 per share	₹ 4.50 per share
Amount of final dividend proposed	4.20	-
Dividend per equity share	₹ 4.00 per share	₹ Nil per share

₹ Crores

Note : 31	As at 31 March 2017	As at 31 March 2016
Earnings Per Share		
Profit after Tax (₹ Crores) (A)	18.96	14.09
Number of equity shares of ₹ 10 each at the beginning of the year	1,05,10,649	1,05,10,649
Add:Equity shares issued during the year	-	-
Number of equity shares of ₹ 10 each at the end of the year	1,05,10,649	1,05,10,649
Weighted average number of equity shares of ₹ 10 each outstanding during the year (B)	1,05,10,649	1,05,10,649
Earnings per share (Basic and Diluted) - in Rupees (A/B)	17.39	12.77

₹ Crores

Note : 32	As at 31 March 2017	As at 31 March 2016
Particulars of Closing Inventories of Raw Materials, Work-in-Progress and Finished Goods		
Raw Materials and components		
Steel Forgings	3.11	2.84
Castings	1.21	0.88
Steel Tubes	0.05	0.06
Aluminium	0.62	0.95
Aluminium Pumps & Tubes	0.98	1.10
Others (individually less than 10% of the total raw materials and components inventory)	13.22	10.71
Total	**19.19**	**16.54**
Work-in-progress		
Steering and Suspension Linkage Products	5.44	3.70
Steering Gear Products	2.25	3.05
Cylinder	0.88	0.21
Die casting products	2.02	1.45
Total	**10.59**	**8.41**
Finished goods		
Steering and Suspension Linkage Products	19.94	22.85
Steering Gear Products	18.33	10.23
Cylinder	1.10	2.33
Die casting products	24.30	18.26
Other Auto components	5.04	4.56
Total	**68.71**	**58.23**

₹ Crores

Note : 33	Year ended 31 March 2017	Year ended 31 March 2016
Segment Reporting		
1. Revenue by Geographical Market		
India	762.82	653.67
Rest of the world	240.49	207.24
Total	**1,003.31**	**860.91**
2. Carrying Amount of Segment Assets		
India	609.55	555.75
Rest of the world	76.38	57.20
Total	**685.93**	**612.95**
3. Additions to Property,Plant and Equipment and Intangible Assets		
India	51.41	104.33
Rest of the world	-	-
Total	**51.41**	**104.33**

The Company's operations comprise of only one business segment viz., components for transportation industry.

The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India.

Note : 34

Exceptional Item

Exceptional items represents amount paid to employees who opted for voluntary retirement scheme extended to employees during the year ended March 31, 2016.

₹ Crores

Note : 35	Year ended 31 March 2017	Year ended 31 March 2016
Details of Sale of Products		
Steering and Suspension Linkage Products	382.74	365.00
Steering Gear Products	474.99	391.94
Cylinder	21.76	23.21
Die casting products	135.15	96.85
Other Auto components	44.71	34.89
Total	**1,059.35**	**911.89**

₹ Crores

Note : 36		Year ended 31 March 2017		Year ended 31 March 2016
Details for Raw Materials and components consumed				
Steel Forgings		127.66		107.32
Castings		57.45		44.14
Steel Tubes		95.76		48.29
Aluminium		54.53		42.93
Aluminium pumps and tubes		5.85		8.08
Other Auto parts		29.16		22.21
Others (individually less than 10% of the total consumption)		183.00		207.59
Total		**553.41**		**480.56**
Imported	10.51%	58.17	9.05%	43.50
Indigenous	89.49%	495.24	90.95%	437.06
Total	**100.00%**	**553.41**	**100.00%**	**480.56**

₹ Crores

Note : 37		Year ended 31 March 2017		Year ended 31 March 2016
Stores, Spares and Tools consumed				
Imported	3.28%	1.41	1.53%	0.51
Indigenous	96.72%	41.64	98.47%	32.93
Total	**100.00%**	**43.05**	**100.00%**	**33.44**

₹ Crores

Note : 38	Year ended 31 March 2017	Year ended 31 March 2016
Value of Imports calculated on CIF basis		
Raw materials	40.37	29.35
Components	20.17	14.56
Stores, Spares & Tools	1.28	0.60
Capital goods	10.12	18.83
Total	**71.94**	**63.34**

₹ Crores

Note : 39	Year ended 31 March 2017	Year ended 31 March 2016
Research and Development cost		
Capital expenditure	3.82	0.97
Revenue expenditure		
i) Materials	0.56	0.32
ii) Employee benefits	4.54	3.88
iii) Professional fees	0.41	1.13
iv) Consumables	0.77	0.42
v) Travel expenses	0.46	0.62
vi) Others	0.97	0.59
Total	**11.53**	**7.93**

Note: The above expenditure has been incurred by all the units of the company . However deduction under Section 35(2AB) of the income tax act , 1961 is being claimed only for Puducherry and Velachery unit.

₹ Crores

Note : 40	Year ended 31 March 2017	Year ended 31 March 2016
Expenditure in foreign currency		
Travelling expenses	0.89	0.89
Freight outward and storage charges	3.08	1.48
Sales promotion expenses	1.76	2.89
Interest	1.48	0.69
Royalty, Professional and Technical Fees	1.45	2.23
Total	**8.66**	**8.18**

₹ Crores

Note : 41	Year ended 31 March 2017	Year ended 31 March 2016
Earnings in foreign exchange		
FOB Value of Exports	216.31	182.11

₹ Crores

Note : 42	Year ended 31 March 2017	Year ended 31 March 2016
Operating Leases		
The Company has taken vehicles under operating lease for a period of 48 months. The details of the maturity profile of future operating lease payments are furnished below:		
a. Future minimum lease payments under non-cancellable operating lease for each of the following periods:		
- Not later than one year	0.42	0.43
- Later than one year and not later than five years	0.41	0.57
- Later than five years	-	-
b. Lease payments recognised in the Statement of Profit and Loss for the period	0.46	0.46

Note : 43

Disclosure as per Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Loans and advances in the nature of loan

₹ Crores

Name of the Party	Amount outstanding as at 31 March 2017	Maximum balance outstanding during the year
Subsidiaries:		
Rane (Madras) International Holdings B.V (RMIH)		
Loan	6.48	20.58
	(13.26)	(13.26)
Interest	0.96	0.96
	(0.09)	(0.09)
Others:		
Rane Foundation		
Loan	-	-
	-	(0.50)

Note: Figures in bracket relate to the previous year.

Note : 44

Details on derivative instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at 31 March 2017

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March 2017.

₹

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	7,23,09,000	₹
USD	Sell	(-)	₹
JPY	Buy	-	₹
JPY	Buy	(8,22,33,155)	₹

Note: Figures in brackets relate to the previous year

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

₹ Crores

	As at 31 March 2017		As at 31 March 2016	
Nature of transactions	Receivable/ (Payable) ₹	Receivable/ (Payable) Foreign Currency	Receivable/ (Payable) ₹	Receivable/ (Payable) Foreign Currency
Loan Payable - USD	(39.53)	-$0.61	(59.52)	-$0.90
Receivables - USD	39.02	$0.59	32.88	$0.50
Receivables - EUR	3.37	€ 0.04	1.91	€ 0.03
Loan Payable- EUR	-	-	(0.66)	-€ 0.01
Payables - USD	(9.91)	-$0.15	(5.84)	-$0.09
Payables - EUR	(0.69)	-€ 0.01	(0.38)	-€ 0.01
Payables - YEN	(3.13)	-¥5.42	-	¥0.00
Payables - GBP	-	-	(0.05)	-£0.00
Advances - USD	1.06	$0.02	0.47	$0.01
Advances - EUR	0.31	€ 0.00	0.59	€ 0.01
Adavnces - GBP	0.05	£0.00	0.06	£0.00
Equity-EUR	0.15	*	0.15	*
Loan receivable - USD	6.48	$0.10	13.26	$0.20

*Amount is below the rounding off norm adopted by the Company

Note on Disclosures required under Guidance Note on Accounting for Derivative Contracts issued by the ICAI:

1. The Company's policy provide for a framework for foreign currency exposures both currency risks and interest rate risk. As per the policy, the Company does not participate in pure speculative hedging transactions i.e. , hedging transactions that are not supported by underlying inflows / out flows of foreign currency.

2. Derivatives are initially recognised at fairvalue at the date on which the Derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. Fair value of Derivative contracts are determined by Mark to Market valuation.

3. Foreign currency transactions include transactions arising from Exports and Imports of goods / services, payment for professional fee, technical fee, royalty, Letter (s) of credit , Supplier credit and foreign currency loans. A twelve month rolling forecast is made and hedging options exercised as per the forex policy of the Company.

Note : 45

Details of Specified Bank Notes ('SBN') held and transacted during the period November 08, 2016 to December 30, 2016 as per the notification issued by the Ministry of Corporate Affairs (MCA) dated March 30, 2017 are provided below:

Amount in ₹

Particulars		SBNs*	Other denomination notes	Total
(A)	Closing cash in hand as on November 08, 2016	6,72,500	4,22,484	10,94,984
(B)	(+) Permitted receipts	4,500	3,03,506	3,08,006
(C)	(-) Permitted payments	28,500	6,10,674	6,39,174
(D)	(-) Amount deposited in Banks	6,48,500	6,600	6,55,100
(E)	**Closing cash in hand as on December 30, 2016**	**-**	**1,08,716**	**1,08,716**

* Specified Bank Notes (SBNs) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated November 08, 2016.

Note : 46

Particulars of loans given, investment made, guarantees given, security provided together with purpose in terms of section 186 (4) of the Companies Act, 2013

Name of entity	Amount in ₹ Crores	Full Particulars	Purpose
Loans Given			
Rane (Madras) International Holdings B.V. (Wholly Owned Subsidiary-WOS)	6.48	Loan to WOS	For Equity investment of RMIH to RPDC, Payment of EXIM Bank loan interest, meeting local establishment expenses
Investment Made			
Rane (Madras) International Holdings B.V. (WOS)	0.15	Investment in WOS	Equity Investment
Guarantees Given			
Rane (Madras) International Holdings B.V. (WOS)	31.11	Corporate Guarantee on behalf of WOS	Given to EXIM Bank towards the banks Financing arrangement to WOS
Rane Precision Die Casting Inc., (Step Down subsidiary-SDS)	51.85	Corporate Guarantee on behalf of SDS	Given to EXIM Bank towards the banks Financing arrangement to SDS

₹ Crores

Note : 47	Year ended 31 March 2017	Year ended 31 March 2016
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- Building	-	1.97
- Plant and Machinery	0.09	2.09
- Furniture	-	0.05
Forex capitalization during the year		
- Plant and Machinery	-	0.38
Total	**0.09**	**4.49**

Note : 48

Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signature to Note 1 to 48
For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Independent Auditor's Report to the Members of Rane (Madras) Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Rane (Madras) Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in sub-paragraphs (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditors on separate financial statements of the subsidiary referred to in the Other Matters paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 106.60 crores as at 31st March, 2017, total revenues of ₹ 214.89 crores and net cash inflows amounting to ₹ 3.89 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditors.

(b) We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of ₹ 21.03 crores as at 31st March, 2017, total revenues of ₹ NIL and net cash inflows amounting to ₹ 2.47 crores 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 this 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, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements, referred in the Other Matters paragraph 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 and the report of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31st March, 2017 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' report of the Holding Company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting only, since the subsidiaries are incorporated outside India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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.

ii. The Group 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 Holding Company.

iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Holding Company. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by the Holding Company and as produced to us by the Management. This reporting requirement is not applicable to the subsidiaries as they are incorporated outside India.

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
May 16, 2017

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph (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 financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Rane (Madras) Limited (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, 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 (the 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 Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") 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 Holding 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 Holding 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, 2017, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India."

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
May 16, 2017

Consolidated Balance Sheet

as at 31 March 2017

₹ Crores

Particulars	Note	As at 31 March 2017	As at 31 March 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	18.74	18.74
(b) Reserves and surplus	3	144.40	140.43
		163.14	**159.17**
(2) Non-current liabilities			
(a) Long-term borrowings	4	152.06	139.54
(b) Deferred tax liabilities (Net)	5	11.22	8.01
(c) Other Long term liabilities	6	0.15	0.14
(d) Long-term provisions	7	7.46	7.45
		170.89	**155.14**
(3) Current liabilities			
(a) Short-term borrowings	8	177.46	144.12
(b) Trade payables	9		
- total outstanding dues of Creditors other than Micro enterprises		192.52	146.82
- total outstanding dues of Micro enterprises and small enterprises		13.21	11.42
(c) Other current liabilities	10	64.15	81.82
(d) Short-term provisions	11	4.72	2.99
		452.06	**387.17**
TOTAL		**786.09**	**701.48**
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	12 (i)	351.29	354.32
(b) Capital work-in-progress	12 (iii)	27.55	7.39
(c) Goodwill		1.96	1.96
(d) Other Intangible assets	12 (ii)	3.68	4.62
(e) Long-term loans and advances	13	37.33	29.81
(f) Other Non current assets	14	7.82	-
		429.63	**398.10**
(2) Current assets			
(a) Inventories	15	126.37	100.96
(b) Trade receivables	16	181.45	161.79
(c) Cash and bank balances	17	9.52	2.82
(d) Short-term loans and advances	18	34.18	27.75
(e) Other current assets	19	4.94	10.06
		356.46	**303.38**
TOTAL		**786.09**	**701.48**

See accompanying notes forming part of the Financial Statements

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

Geetha Suryanarayanan
Partner

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Consolidated Statement of Profit and Loss

for the year ended 31 March 2017

₹ Crores

	Particulars	Note	Year ended 31 March 2017	Year ended 31 March 2016
I.	**Revenue from operations (Gross)**	20	**1,304.28**	**974.05**
	Less: Excise Duty		95.20	84.13
	Revenue from operations (Net)		**1,209.08**	**889.92**
II.	Other Income	21	10.24	1.65
III.	**Total Revenue (I + II)**		**1,219.32**	**891.57**
IV.	**Expenses :**			
	Cost of materials consumed	22	686.83	529.51
	Changes in inventories of finished goods and work-in-progress	23	(11.58)	(13.35)
	Employee benefit expenses	24	179.72	108.27
	Finance costs	25	29.44	19.21
	Depreciation and amortization expense	12	58.73	40.91
	Other expenses	26	263.90	187.05
	Total expenses		**1,207.04**	**871.60**
V.	**Profit before exceptional item and tax (III – IV)**		**12.28**	**19.97**
VI.	Exceptional items - termination benefit under Voluntary Retirement Scheme	33	-	2.70
VII.	**Profit before tax (V – VI)**		**12.28**	**17.27**
VIII.	**Tax expense :**			
	Current tax		5.48	4.23
	Deferred tax charge/(credit)	5	(3.31)	3.11
	Prior period Deferred tax adjustment		6.61	-
	MAT credit availed		(1.46)	(2.74)
	Net tax expense		**7.32**	**4.60**
IX.	**Profit for the year (VII – VIII)**		**4.96**	**12.67**
X.	Earnings per equity share (of ₹ 10 each)	30		
	Basic (in ₹)		4.08	11.42
	Diluted (in ₹)		4.08	11.42

See accompanying notes forming part of the Financial Statements

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants

Geetha Suryanarayanan
Partner

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Consolidated Cash Flow Statement

for the year ended 31 March 2017

₹ Crores

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit Before Tax	12.28	17.27
	Adjustments for:		
	Depreciation and Amortisation Expense	58.73	40.91
	Loss on sale of Property, Plant and Equipment	0.64	0.62
	Finance Costs	29.44	19.21
	Interest Income on Deposits	(0.27)	(0.32)
	Provision for Doubtful Trade receivables and advances (Net of Write back)	(0.11)	0.43
	Unrealised Exchange Loss	1.16	1.80
	Translation loss on Property, Plant and Equipment	0.93	1.65
	Foreign currency translation reserve	1.63	0.03
	Operating Profit before Working Capital / Other Changes	**104.43**	**81.60**
	Adjustments for (increase)/decrease in operating assets:		
	Inventories	(25.41)	(7.98)
	Long Term Loans and Advances	(1.99)	(2.96)
	Other Non Current Assets	(7.82)	-
	Trade Receivables	(20.89)	(16.25)
	Short Term Loans and Advances	(6.42)	(4.11)
	Other Current Assets	5.14	(6.65)
	Adjustments for increase/(decrease) in operating liabilities:		
	Other Long Term Liabilities	0.01	(0.12)
	Long Term Provisions	0.01	0.59
	Trade Payables	47.76	(1.50)
	Other Current Liabilities	3.24	(5.51)
	Short Term Provisions	1.74	0.01
	Cash Generated from Operations	99.80	37.12
	Direct Taxes Paid (Net of Refund Received)	(4.34)	(5.77)
	Net Cash Flow From Operations	**95.46**	**31.35**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital Expenditure	(81.75)	(75.33)
	Proceeds from Sale of Property, Plant and Equipment	0.03	0.34
	Interest Received on Bank Deposits	0.25	0.28
	Bank balances not considered as Cash & Cash Equivalents	0.62	0.34
	Net Cash Flow Used in Investing Activities	**(80.85)**	**(74.37)**

₹ Crores

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Long-Term Borrowings	52.41	107.19
	Repayment of Long-Term Borrowings	(59.06)	(33.33)
	Proceeds from other Short-Term Borrowings	33.22	3.47
	Repayment of Fixed Deposits	(1.23)	(3.39)
	Finance Costs	(29.43)	(18.77)
	Dividend Paid	(2.66)	(10.02)
	Tax on Dividend	(0.54)	(2.16)
	Net Cash Flow from / (used) in Financing Activities	**(7.29)**	**42.99**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	**7.32**	**(0.03)**
	Cash and Cash Equivalents at the Beginning of the Year	1.69	1.72
	Effect of exchange differences on restatement of foreign currency Cash and cash equivalents	*	*
	Cash and Cash Equivalents at the End of the Year **(Refer Note 17)**	9.01	1.69
		7.32	**(0.03)**

* Amount of ₹ 5,861 (Previous year ₹ 11,733) is below the rounding off norm adopted by the Company

See accompanying notes forming part of the Financial Statements

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

Geetha Suryanarayanan
Partner

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

Notes forming part of the Consolidated Financial Statements

Corporate Information

The Company is engaged in manufacturing of Steering and suspension linkage products, steering gear products, and high precision aluminium die casting products. The Company is a significant supplier to major manufacturers of passenger cars, utility vehicles, and farm tractors across the globe. The company has manufactuting locations at Tamilnadu, Pondicherry, Karnataka, Uttarkhand and Telangana.

The Company acquired Precision Die Casting Inc.(PDC) in USA on 17th February 2016, engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. This investment is held by Rane (Madras) International Holdings, B.V, Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS') to hold strategic overseas investments of the Company.

Note 1 : Significant accounting policies

1.1 Basis of accounting and preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (to the extent notified and applicable) and Accounting Standard 30 on "Financial Instruments-Recognition and Measurement" as set out in Note 1.21 below. The financial statements have been prepared on accrual basis under the historical cost convention method. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the normal time between the acquisition of the assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current-non current classification of its assets and liabilities as current and non-current.

1.2 Use of Estimates

The preparation of the financial statements in conformity with Generally Accepted Accounting Principles in India requires the Management to make estimates and assumptions that affects the reported amounts of assets and liabilities as of the Balance Sheet date, the reported amount of revenue and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date.

The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as on the date of the financial statements. Actual results could differ from these estimates and the differences between the actual results and the estimates are recognised in the period in which the results are known / materialised.

1.3 Inventories

Inventories are valued at the lower of cost on moving weighted average basis and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads and, where applicable, excise duty.

1.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.5 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.

1.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

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.:

Assets	Useful life (in years)
Vehicles	5 Years
Furniture and Fixtures	5 Years
Office Equipments (other than computers)	3 Years
Computers, Servers and Networks	3-4 Years
Capital tooling	3-5 Years

Cost of dies is amortised as per production of units method.

Cost of Leasehold land is amortised over the period of the lease. Leasehold land development costs are amortised over a period of ten years. Assets individually costing ₹ 10,000 or less are fully depreciated in the year of addition.

License fees paid for technical assistance are amortised on a straight line basis over the period of the license. Software license fees are amortised on a straight line basis over a period of three years.

Goodwill is amortised over a period of five years.

In respect of a subsidiary

Assets	Useful life (in years)
Machinery & equipment	8-9 Years
Molds	3-4 Years
Vehicles	4-5 Years
Computers	4-5 Years

With respect to the subsidiary Rane Precision Die Casting Inc., Property, Plant and Equipment of which constitutes 12% of the total Property, Plant and Equipment of the Group, impact of useful life variation compared to group rates of depreciation rates is not material for the consolidated financial statements.

1.7 Revenue recognition

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales are recognized on inwarding of goods at customer's end, where applicable as per terms of sale (for domestic) and on the date of bill of lading (for Exports). Sales include excise duty but exclude sales tax and value added tax.

1.8 Other Income

Interest income is accounted on accrual basis.

1.9 Property, Plant and Equipment and Intangible assets

Property, Plant and Equipment and Intangible assets are stated at cost of acquisition/construction less accumulated depreciation/ amortization, impairment loss, if any, and inclusive of borrowing cost attributable to acquisition of qualifying assets, where applicable, and adjustments for exchange differences referred to in Note 1.10 below. Cost includes inward freight, non-refundable duties/taxes and incidental expenses directly related to acquisition/installation. Machinery spares which can be used only in connection with an item of Property, Plant and Equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure on 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.

Capital work-in-progress

'Projects under which Property, Plant and Equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

Advance paid towards the acquisition of assets outstanding at each balance sheet date are disclosed as capital advances under long term loans and advances.

1.10 Foreign currency transactions and translations

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction or restated at the closing exchange rates. Exchange differences arising on actual payments / realisations and year-end restatements of foreign currency monetary items, excluding long term foreign currency monetary items (see below), are dealt with in the Statement of Profit and Loss.

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year-end rates. Non-monetary items of the Company are carried at historical cost.

Exchange difference on long-term foreign currency monetary items: The exchange differences arising on settlement / restatement of long-term foreign currency monetary items are capitalised as part of the depreciable assets to which the monetary item relates and depreciated over the remaining useful life of such assets. If such monetary items do not relate to acquisition of depreciable assets, the exchange difference is amortised over the maturity period / upto the date of settlement of such monetary items, whichever is earlier, and charged to the Statement of Profit and Loss. The unamortised exchange difference is carried under Reserves and surplus as "Foreign currency monetary item translation difference account" net of the tax effect thereon, where applicable.

Accounting for forward contracts

Premium or discount on forward exchange contracts (i.e. the difference between the forward exchange rate and the exchange rate at the date of transaction) is accounted for as income/ expense over the life of the contract if such contracts relate to monetary items as at the balance sheet date. Profit or loss on cancellation of forward contracts are recognized as income/ expense in the Statement of Profit and Loss for the year in which they are cancelled.

Refer notes 1.21 and 1.22 for accounting for forward exchange contracts relating to firm commitments and highly probable forecast transactions

In respect of a Subsidiary

All the assets and liabilities, both monetary and non-monetary items, are translated into the reporting currency at the exchange rate in effect at March 31, 2017 and income and expense items are translated at the average rate applicable for the year ended March 31, 2017. Functional currency of the Company is the United States Dollar ("USD") and the reporting currency, the Indian Rupee (INR).

1.11 Export incentives

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

1.12 Employee benefits

Employee benefits include provident fund, superannuation fund, employee state insurance scheme, gratuity fund, compensated absences, long service awards and post-employment medical benefits

a. Short term benefits

Short term Employee Benefits (i.e.. benefits falling due within one year after the end of the period in which employees render the related service) are recognized as expense in the period in which employee services are rendered as per the Company's scheme based on expected obligations on undiscounted basis. 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 short-term 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.

b. Post-employment benefits

Post-employment benefits comprise of Provident Fund, Superannuation Fund and Gratuity which are accounted for as follows:

i) Provident Fund

This is a defined contribution plan and contributions are remitted to Provident Fund authorities in accordance with relevant statute and charged to Statement of Profit and Loss in the period in which the related employee services are rendered. The Company has no further obligations for future Provident Fund benefits other than its monthly contributions.

ii) Superannuation Fund

This is a defined contribution plan. The Company contributes, based on the options exercised by the eligible employees, a sum equivalent to 5%/10%/15% of eligible employees' applicable salary towards superannuation fund administered by the Trustees and managed by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its contributions and recognizes such contributions as expense in the period in which the related employee services are rendered.

iii) Gratuity

This is a defined benefit plan. The Company's scheme is administered by the LIC. The liability is determined based on year-end actuarial valuation by an independent actuary using 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.

In respect of a subsidiary

iv) Pension plan

The Company provides for post-retirement benefit, disability and death benefits ("the Plan") vide Precision Die Casting Union Retirement Plan which covers

eligible employees with a date of hire before October 11, 2010, except for the employees in the categories as defined under section 2.2 (2) of the Plan document, who are eligible to participate in the Plan upon meeting the following eligibility requirement: completion of one hour of service with the Company and provided that he/she was a union employee covered by local No. 2407 of United Auto Workers.

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

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

Disability benefit

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

Death benefit:

If a participant dies after he/she has become vested under the Plan but before he/she begins to receive a retirement pension benefit, his/her spouse will receive a 50% survivor benefit if he/she has been married at least one year.

The liability with regards to the Plan are determined by the actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit cost method. The Company contributes all ascertained liabilities to the registered investment companies which are held under a separate trust through custodian, Charles Schwab, as permitted by the Department of Labor. The Company recognizes the net obligation of the Plan in the balance sheet as an asset or liability, respectively, in accordance with Accounting Standard 15, "Employee benefits". The Company's overall long term rate of return on assets has been determined based on the available market information and the historical and expected future investments trends of present and expected assets in the Plan. The discount rate is based on the Government securities yield or equivalent corporate bond. Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss in the period in which they arise.

c. Other 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.

d. Termination benefits

Termination benefits represent compensation towards Voluntary Retirement Scheme which is expensed as incurred. Termination benefits falling due for more than twelve months after the balance sheet date are accounted using appropriate discount rates.

1.13 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

Discount on commercial papers (the difference between the issue price and the redemption value) is apportioned on time basis and recognised as discounting expense.

1.14 Leases

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

Operating leases: Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

1.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) 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 / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) 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.

1.16 Taxes on income

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 tax laws.

Minimum Alternate Tax (MAT) 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 the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

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 virtual 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 Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability

1.17 Research and development expenses

Revenue expenditure on Research and Development is charged off in the year in which it is incurred. Capital expenditure on Research and Development is included under Property, Plant and Equipment.

1.18 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

1.19 Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

1.20 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto two years. As per the terms of the contracts, the Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the

information available with the Management duly taking into account the current and past technical estimates.

1.21 Hedge accounting

The Company uses derivative financial instruments such as foreign exchange forward contracts, option contracts, currency and interest rate swaps to hedge its exposure in movements in foreign exchange rates and interest rates relating to underlying transaction. These forward, option, currency and interest rate swap contracts are not used for trading/speculation purposes.

The Company adopted in an earlier year Accounting Standard 30, "Financial Instruments: Recognition and Measurement" issued by The Institute of Chartered Accountants of India to the extent the adoption does not contradict with existing mandatory applicable Accounting Standards and other relevant regulatory requirements.

In the case of forward and option contracts that are designated as effective cash flow hedges, the gain or loss from the effective portion of the hedge is recorded and reported directly in reserves (under the "Hedging Reserve Account", net of applicable deferred income taxes) and are reclassified into the Statement of Profit and Loss in the same periods during which the forecasted transaction affects profit or loss. However, the ineffective portion of the cash flow hedges, are recognized in the Statement of Profit and Loss as it arises.

1.22 Derivative contracts [other than forward exchange contracts covered under AS 11 (refer Note 1.10 above)]

The Company recognizes gains or losses from changes in fair values of forward, option, currency and interest rate swap contracts that are not designated in a hedge relationship through the Statement of Profit and Loss in the period in which they arise.

1.23 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

1.24 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

1.25 Dividend

The final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

₹ Crores

Note : 2		As at 31 March 2017	As at 31 March 2016
Share Capital			
(i)	**Authorised**		
	2,50,00,000 Equity Shares of ₹ 10 each with voting rights (As at 31 March 2016- 2,50,00,000 Equity Shares of ₹ 10 each with voting rights)	25.00	25.00
	1,05,00,000 - Cumulative Redeemable Preference Shares of ₹ 10 each (As at 31 March 2016 - 1,05,00,000 of ₹ 10 each)	10.50	10.50
(ii)	**Issued, Subscribed and Fully Paid Up**		
	1,05,10,649 Equity Shares of ₹ 10 each with voting rights (As at 31 March 2016- 1,05,10,649 Equity Shares of ₹ 10 each with voting rights)	10.51	10.51
	82,32,164, 6.74% Cumulative redeemable Preference Shares of ₹ 10 each (As at 31 March 2016 - 82,32,164, 6.74% of ₹ 10 each)	8.23	8.23
(iii)	**Number of Shares held by Holding Company**		
	- Rane Holdings Limited		
	- Equity Shares (Nos.)	59,18,156	59,18,156
	- Cumulative redeemable Preference Shares (Nos.)	82,32,164	82,32,164
(iv)	Number of Equity Shares outstanding as at the beginning of the period (Nos.)	1,05,10,649	1,05,10,649
	Add: Shares issued during the year (Nos.)	-	-
	Number of Equity Shares outstanding as at the end of the period (Nos.)	1,05,10,649	1,05,10,649
(v)	Number of Cumulative redeemable Preference Shares outstanding as at the beginning of the period (Nos.)	82,32,164	82,32,164
	Add: Cumulative redeemable Preference Shares issued during the year (Nos.)	-	-
	Number of Cumulative redeemable Preference Shares outstanding as at the end of the period (Nos.)	82,32,164	82,32,164
(vi)	**Shares in the Company held by each shareholder holding more than 5 per cent shares**		
	- Rane Holdings Limited		
	- Equity Shares (Nos.)	59,18,156	59,18,156
		56.31%	56.31%
	- Cumulative redeemable Preference Shares (Nos.)	82,32,164	82,32,164
		100%	100%

(vii) Rights, preferences and restrictions attached to Shares mentioned above:

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

For the current year, the directors have proposed on 16th May 2017 a dividend of ₹ 4 per share to be paid on equity shares. The equity dividend is subject to approval by shareholders at Annual General Meeting and has not been included as a liability in the financial statements which is in compliance with AS 4 as revised vide MCA notification dated 30th March 2016. The total estimated equity dividend to be paid is ₹ 42,042,596 . The payment of this dividend is estimated to result in payment of dividend distribution tax of ₹ 85,59,032 @ 20.358% on the amount of dividends grossed up for the related dividend distribution tax.

The Preference shares shall have a face value of ₹ 10 and is entitled to receive a cumulative dividend at the rate of 6.74%. The preference share shall have a tenure of maximum 20 years. The Preference shares are redeemable before 20 years at the option of the shareholders.

₹ Crores

Note : 3		As at 31 March 2017	As at 31 March 2016
Reserves and Surplus			
(i)	**Reserves**		
	Capital Subsidy	0.50	0.50
	Amalgamation adjustment account	(0.20)	(0.20)
	Capital Redemption Reserve	4.50	4.50
	Securities Premium Account	3.57	3.57
	Hedge Reserve Account		
	Balance as at the beginning of the year	(0.56)	0.27
	Less: Additions / (Deductions)	0.55	(0.83)
	Balance as at the end of the year	(0.01)	(0.56)
	Foreign currency transalation reserves		
	Balance as at the beginning of the year	(0.03)	-
	Add: Additions	1.66	(0.03)
	Balance as at the end of the year	1.63	(0.03)
	General Reserve	127.70	127.70
	Total	**137.69**	**135.48**
(ii)	**Surplus in statement of Profit and Loss**		
	Balance as at the beginning of the year	4.95	6.37
	Add:		
	Profit for the year as per Statement of Profit and Loss	4.96	12.67
	Less: Appropriations		
	Interim Dividend on Equity Shares -@ 20% (previous year -45%)	2.10	4.73
	Preference Dividend	0.56	0.56
	Tax on dividends	0.54	1.08
	Transfer to General Reserve	-	7.72
		3.20	14.09
	Balance as at the end of the year	**6.71**	**4.95**
	Total Reserves and Surplus	**144.40**	**140.43**

₹ Crores

Note : 4		As at 31 March 2017	As at 31 March 2016
Long-term Borrowings			
Secured			
4.1	External Commercial Borrowings from Banks	-	2.10
	Less: Current maturities of Long Term Debt referred to in Note 10	-	2.10
		-	-
4.2	Term Loans from a company (Refer note below)	0.56	2.81
	Less: Current maturities of Long Term Debt referred to in Note 10	0.56	2.25
		-	0.56
4.3	Term Loans from Banks	173.15	172.11
	Less: Current maturities of Long Term Debt referred to in Note 10	23.79	37.80
		149.36	**134.87**
Unsecured			
4.4	Term Loans from a company (Refer note below)	0.10	0.47
	Less: Current maturities of Long Term Debt referred to in Note 10	0.10	0.37
		-	0.10
4.5	**Fixed Deposits :**		
	From Related Parties	-	0.22
	From others	-	1.01
	Less: Current maturities of Long Term Debt referred to in Note 10	-	1.22
		-	0.01
4.6	**Long-term capital lease obligations**	4.46	7.43
	Less: Current maturities of Long Term Debt referred to in Note 10	1.76	2.87
		2.70	4.56
	Total	**152.06**	**139.54**

The details of the interest rate, tenor, repayment terms, nature of security etc. of the long term borrowings are as under:

Secured		
	Nature of Security	**Terms of Repayment**
4.1	ECB Loans from Standard Chartered Bank (SCB) and DBS Bank Limited (DBS) is secured on a pari passu basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	SCB - ECB loan amounting to ₹ 16.80 crores is repayable in 16 equal quarterly installments commencing from December 2012 along with interest at the rate of 7.95% per annum. The balance outstanding as at 31 March 2017 is ₹ Nil (As at 31 March 2016 - ₹ 2.10 Crores).
4.2	Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly secured on the respective machinery of Hyderabad Plant.	RTSS Loan - INR Loan from Rane TRW Steering Systems Private Limited amounting to ₹ 10 Crores which is repayable in 16 equal instalments commencing from September 2013 with an interest of 9% per annum. The balance outstanding as on 31 March 2017 is ₹ 0.66 Crores (As on 31 March 2016 - ₹ 3.28 Crores) which is secured to the extent of ₹ 0.56 Crores on the respective machinery of Hyderabad Plant and unsecured to the extent of ₹ 0.10 Crores
4.3	The INR Term Loans from HDFC Bank Ltd , Kotak Mahindra Bank Ltd and Canara Bank Ltd are secured on a pari passu basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	a) HDFC Bank - INR Long Term Loan amounting ₹ 20 Crores is repayable in 8 quarterly Instalments commencing from December 2014 with 1 Year of Moratorium along with an Interest at the rate of 10.55% per annum (Base Rate+ 125 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ Nil.(As at 31 March 2016 - ₹ 5 crores).
		b) HDFC Bank - INR Long Term Loan amounting ₹ 30 Crores is repayable in 12 quarterly Instalments commencing from January 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.45% per annum (Base Rate+ 10 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ 29.40 Crores. (As at 31 March 2016 - ₹ 29.40 crores).
		c) HDFC Bank - INR Long Term Loan amounting ₹ 15 Crores is repayable in 12 quarterly Instalments commencing from July 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.10% per annum (3 Year MCLR + 5 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ 15.00 Crores.
		d) HDFC Bank - INR Long Term Loan amounting ₹ 15 Crores is repayable in 12 quarterly Instalments commencing from December 2018 with 2 Years of Moratorium along with an Interest at the rate of 9.10% per annum (3 Year MCLR + 5 Basis points). The Balance Outstanding as at 31 March 2017 is ₹ 8.90 Crores.
		e) Kotak Mahindra Bank Ltd - INR Long Term Loan amounting ₹ 45 Crores is repayable in 16 equal quarterly Instalments commencing from November 2015 with 1 Year of Moratorium period along with an Interest at the rate of 10.25% per annum (Base Rate+ 25 Basis points). The Balance Outstanding as at 31st March 2017 is ₹ 28.07 Crores. (As at 31 March 2016 -₹ 39.29 Crores).
		f) Canara Bank Ltd - INR Long Term Loan amounting ₹ 45 Crores is repayable in 20 equal quarterly Instalments commencing from May 2016 with 1.5 Years of Moratorium period along with an Interest at the rate of 10.45% per annum (Base Rate+ 25 Basis points). The Balance Outstanding as at 31st March 2017 is ₹ 32.17 Crores. (As at 31 March 2016 -₹ 43.83 Crores).

	Nature of Security	Terms of Repayment
	The INR Term Loans from ING Vysya and Yes Bank is secured on a pari passu basis by a first charge created on the Company's Diecast Business's immovable properties both present and future and are also secured by hypothecation of the Company's Diecast Business's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	g) ING Vysya Bank - INR Long Term Loan amounting to ₹ 3.20 Crores is repayable in 13 Quarterly Instalments commencing from September 2014 with 6 months of Moratorium period along with an interest rate of 11.15% per annum. The Balance Outstanding as on 31 March 2017 is ₹ 0.49 Crores (As at 31 March 2016 - ₹ 1.63 Crores).
		h) Yes Bank Ltd - INR Long Term Loan amounting to ₹ 3.5 Crores is repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period along with an interest of 11.5% per annum. The Balance outstanding as on 31 March 2017 is ₹ 0.62 Crores (As at 31 March 2016 -₹ 1.44 Crores).
	Export -Import Bank of India (EXIM) is secured on a pari passu basis by a first charge created on the Company's immovable properties both present and future and are also secured by hypothecation of the Company's movable properties both present and future, subject to prior charge on the book debts and inventories in favour of the bankers for working capital facilities.	i) EXIM Bank - USD Long Term Loan amounting 16.00 Lakh dollars is subject to Bullet Repayment at the end of one year from the date of first disbursement under the loan commencing from January 2016 along with interest LIBOR (6Months) +375 basis points p.a payable with quarterly rests.The balance outstanding as at 31 March 2017 is ₹ Nil. (As at 31 March 2016 -₹ 10.61 Crores).
	Corporate Rupee loan from ICICI Bank Ltd is secured on a first Pari Passu charge on Property, Plant and Equipment of the company both present and future (except Velachery property) and second Pari Passu charge on Current assets both present and future.	j) ICICI Bank - INR Long Term Loan amounting ₹ 30 Crores is repayable in 12 equal quarterly Instalments commencing from January 2016 with 3 Years of Moratorium period along with an Interest at the rate of 9.50% per annum. The Balance Outstanding as at 31st March 2017 is ₹ 30 Crores (As at 31 March 2016 - ₹ 30 crores)
	The USD term loan from EXIM Bank is secured against all movable property, plant and equipment, current assets of Rane Precision Die Casting, Inc. and shares of Rane Precision Die Casting, Inc. held by Rane (Madras) International Holdings B.V.	k) EXIM Bank - Foreign Currency Term Loan amounting to USD 2 Million is repayable in 12 equal quarterly Instalments commencing from November 2018 with 2 Years of Moratorium period along with an Interest at the rate of USD LIBOR (6 months + 375 basis points) per annum. The Balance Outstanding as at 31st March 2017 is ₹ 12.96 Crores
	The USD term loan from EXIM Bank is secured by pledge of shares of Rane Precision Die Casting, Inc. held by Rane (Madras) International Holdings B.V.	l) EXIM Bank - Foreign Currency Term Loan amounting to USD 4.8 Million is repayable in 12 equal quarterly Instalments commencing from May 2019 with 2 Years of Moratorium period along with an Interest at the rate of USD LIBOR (6 months + 375 basis points) per annum. The Balance Outstanding as at 31st March 2017 is ₹ 15.54 Crores
	The USD term loan from The Private Bank and Trust Company. is secured against all assets of Rane Precision Die casting Inc.	Represents the loan of Rane Precision Die casting Inc. acquired on 17th February 2016 with interest at the rate of 4.50 % per annum. The balance outstanding as at 31 March 2017 is ₹ Nil (As at 31 March 2016 -₹ 10.90 crores)
Unsecured		
4.4	Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly Unsecured	RTSS Loan - INR Loan from Rane TRW Steering Systems Private Limited amounting to ₹ 10 Crores which is repayable in 16 equal instalments commencing from September 2013 with an interest of 9% per annum. The balance outstanding as on 31 March 2017 is ₹ 0.66 Crores (As on 31 March 2016 - ₹ 3.28 Crores) which is secured to the extent of ₹ 0.56 Crores on the respective machinery of Hyderabad Plant and unsecured to the extent of ₹ 0.10 Crores
4.6	Capital lease	Represents the balance of pre existing capital lease obligation of Rane Precision Die casting Inc. acquired on 17th February 2016 it is from the financial institution GE Capital and the future lease instalments is payable till FY 2021. The Balance Outstanding as at 31 March 2017 is ₹ 4.46 crores (As on 31 March 2016 - ₹ 7.43 Crores)

4.5 Fixed deposits

Fixed Deposits are accepted for 2 or 3 years on cumulative / non-cumulative basis

₹ Crores

	As at 31 March 2017	As at 31 March 2016
Amounts maturing from Balance Sheet date		
Within one year	-	1.22
After one year and upto two years	-	0.01
After two years and upto three years	-	-
Total	**-**	**1.23**
Rate of Interest		**Interest Payable Quarterly**
Cumulative/ Non-Cumulative deposit scheme		
For 2012 Scheme		
for 2 Years	9.50% p.a.	9.50% p.a.
for 3 Years	9.50% p.a.	9.50% p.a.
For 2013 Scheme		
for 2 Years	9.50% p.a.	9.50% p.a.
for 3 Years	9.50% p.a.	9.50% p.a.

Additional interest of 0.5% p.a. is paid to employees / retired employees of Rane Group.

In respect of the Fixed Deposits , Company has repaid all the Fixed Deposits and there are no outstanding as at 31 March 2017 as per the original terms of acceptance of such deposits. The Company has obtained permission from Company Law Board (CLB) on 16 September 2015 to repay the deposits on the respective maturity dates in accordance with the terms of acceptance of these deposits, as stipulated under Section 74 of the Companies Act 2013.

₹ Crores

Note : 5	As at 31 March 2017	As at 31 March 2016
Deferred Tax Liabilities (Net)		
(i) Liabilities:		
Difference between book and tax written down value of Depreciable Assets		
- In respect of which the difference between book and tax written down value will reverse after the expiry of the tax holiday period	1.53	1.58
- Others	29.29	17.83
	30.82	**19.41**
(ii) Assets:		
Provision for expenses allowable on payment basis	(5.91)	(4.94)
Termination benefit under Voluntary Retirement Scheme	(1.88)	(3.00)
Inventory	(0.44)	-
Capital leases	(1.49)	-
Net operating losses	(5.88)	-
Others	(4.00)	(3.46)
	(19.60)	**(11.40)**
Net Deferred Tax Liability as at the year end [(i) + (ii)]	**11.22**	**8.01**

₹ Crores

Note : 6	As at 31 March 2017	As at 31 March 2016
Other Long term liabilities		
Termination benefit under Voluntary Retirement Scheme	0.15	0.14
Total	**0.15**	**0.14**

₹ Crores

Note : 7	As at 31 March 2017	As at 31 March 2016
Long term provisions		
Provision for compensated absences	4.78	4.15
Provision for Product warranty (Refer Note : 11)	2.68	3.30
Total	**7.46**	**7.45**

₹ Crores

Note : 8	As at 31 March 2017	As at 31 March 2016
Short-term borrowings		
Secured Loans from Banks *		
Loans repayable on demand	0.86	34.22
Commercial paper (Maximum amount outstanding at any time during the year - ₹ 40 Crores / Previous year - ₹ 40 Crores)	40.00	40.00
Other loans	121.10	63.82
Unsecured Loans		
Sales Tax Deferral	0.08	0.08
Other loans from banks	15.42	6.00
Total	**177.46**	**144.12**

* Secured loans include cash credit, packing credit, commercial paper and working capital demand loan from banks and are secured on a pari passu basis by a first charge by way of hypothecation of inventories and book debts and are also secured by a second charge on all immovable properties and movable Property, Plant and Equipment of the Company both present and future.

₹ Crores

Note : 9	As at 31 March 2017	As at 31 March 2016
Trade payables		
Total outstanding dues of Creditors other than Micro enterprises		
Acceptances	22.84	20.25
Others	169.68	126.57
	192.52	**146.82**
Total outstanding dues of Micro enterprises and small enterprises	13.21	11.42
Total	**205.73**	**158.24**
Micro and Small Enterprises :		
i. The Company has amounts due to suppliers under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure required under Section 22 of the Act is given below:		
The Principal amount and interest due there on remaining unpaid to suppliers under MSMED Act:		
- Principal	13.19	11.28
- Interest	0.02	0.14
The amount of interest paid in terms of section 16 of MSMED Act along with the amount of payment made to suppliers beyond the appointed day during the year:		
- Principal	-	-
- Interest	0.14	0.10

₹ Crores

	As at 31 March 2017	As at 31 March 2016
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	13.51	15.04
- Interest	0.09	0.14
The amount of interest accrued and remaining unpaid at the end of the year Nil [(Previous year ₹ 0.14 crores) being interest outstanding as at the beginning of the accounting year]	-	-
The amount of further interest remaining due and payable even in the succeeding year, until such date when interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the MSMED Act.	0.11	0.15

₹ Crores

Note : 10	As at 31 March 2017	As at 31 March 2016
Other current liabilities		
Current maturities of Long term debt (Refer Note 4)	26.21	46.61
Interest accrued but not due on borrowings	1.70	1.69
Unpaid dividend *	0.17	0.14
Unpaid matured deposits and interest accrued thereon *	-	0.02
Others :		
Derivative Liability	0.01	0.56
Advance from customers	0.65	1.10
Commission payable to Chairman	0.51	0.45
Statutory dues (incl. Provident Fund, Excise Duty and Tax Deducted at Source)	6.68	8.06
Payables on purchase of Property, Plant and Equipment	8.61	2.15
Security deposit received	0.34	0.30
Gratuity	5.56	4.50
Pension plan	13.71	16.24
Total	**64.15**	**81.82**

* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the year end.

₹ Crores

Note : 11	As at 31 March 2017	As at 31 March 2016
Short-term provisions		
Provision for compensated absences	1.03	0.81
Provision for Product warranty *	3.02	1.51
Proposed dividend on preference Shares	0.56	0.56
Tax on proposed dividend	0.11	0.11
Total	**4.72**	**2.99**
*** Movement in Provision for Product Warranty (Also refer Note 7)**		
Balance at the beginning of the year	4.81	4.53
Provision made during the year	1.16	0.88
Provision used against claims settled during the year	0.27	0.60
Balance at the end of the year	**5.70**	**4.81**

Note : 12
Property, Plant and Equipment - Current Year

₹ Crores

	Description	Gross Block							Depreciation / Amortisation					Net Block	
				Adjustments during the year							Adjustments during the year				
		Cost as at 31 March 2016	Additions	Borrowing cost capitalised	Effect of foreign currency exchange differences Refer note 45	Translation adjustment	Deletions	Cost as at 31 March 2017	Upto 31 March 2016	For the year depre-ciation	Translation adjustment	On Deletions	As at 31 March 2017	As at 31 March 2017	As at 31 March 2016
(i)	**Property, Plant and Equipment**														
	Land - Freehold	26.00	-	-	-	-	-	26.00	-	-	-	-	-	26.00	26.00
	Land - Leasehold	0.72	-	-	-	(0.04)	-	0.68	0.06	-	-	-	0.06	0.62	0.66
	Leasehold Land Development Costs	2.35	-	-	-	-	-	2.35	0.64	0.29	-	-	0.93	1.42	1.71
	Buildings	78.82	5.48	-	-	-	-	84.30	12.16	3.03	-	-	15.19	69.11	66.66
	Plant and Machinery	438.12	46.47	0.09	-	(1.43)	3.05	480.20	185.37	50.08	(0.54)	2.39	232.52	247.68	252.75
	Furniture and Fixtures	6.39	0.46	-	-	-	0.04	6.81	4.14	0.65	-	0.03	4.76	2.05	2.25
	Vehicles	1.24	0.06	-	-	-	-	1.30	0.95	0.14	-	-	1.09	0.21	0.29
	Office Equipments	16.21	2.30	-	-	(0.01)	0.01	18.49	12.21	2.10	(0.01)	0.01	14.29	4.20	4.00
	Total	**569.85**	**54.77**	**0.09**	**-**	**(1.48)**	**3.10**	**620.13**	**215.53**	**56.29**	**(0.55)**	**2.43**	**268.84**	**351.29**	**354.32**
(ii)	**Intangible Assets**														
	Licenses	4.61	1.50	-	-	-	-	6.11	4.05	0.41	-	-	4.46	1.65	0.56
	Goodwill	10.16	-	-	-	-	-	10.16	6.10	2.03	-	-	8.13	2.03	4.06
	Total	**14.77**	**1.50**	**-**	**-**	**-**	**-**	**16.27**	**10.15**	**2.44**	**-**	**-**	**12.59**	**3.68**	**4.62**
	Total Property, Plant and Equipment and Intangible assets	**584.62**	**56.27**	**0.09**	**-**	**(1.48)**	**3.10**	**636.40**	**225.68**	**58.73**	**(0.55)**	**2.43**	**281.43**	**354.97**	**358.94**
(iii)	**Capital work in progress**													**27.55**	**7.39**
Total														**382.52**	**366.33**

Note : 12
Property, Plant and Equipment - Previous Year

₹ Crores

	Description	Gross Block								Depreciation / Amortisation						Net Block	
				Adjustments during the year								Adjustments during the year					
		Cost as at 31 March 2015	Additions	Other adjust-ments**	Borrowing cost capitalised	Effect of foreign currency exchange differences	Translation adjustment	Deletions	Cost as at 31 March 2016	Upto 31 March 2015	For the year depre-ciation	Other adjust-ments**	Translation adjustment	On Deletions	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
					Refer note 45												
(i)	**Property, Plant and Equipment**																
	Land - Freehold	24.74	1.26	-	-	-	-	-	26.00	-	-	-	-	-	-	26.00	24.74
	Land - Leasehold	0.72	-	-	-	-	-	-	0.72	0.06	-	-	-	-	0.06	0.66	0.66
	Leasehold Land Development Costs	0.77	-	1.63	-	-	(0.05)	-	2.35	0.54	0.10	-	-	-	0.64	1.71	0.23
	Buildings	55.64	21.21	-	1.97	-	-	-	78.82	9.66	2.50	-	-	-	12.16	66.66	45.98
	Plant and Machinery	309.65	73.73	58.16	2.09	0.38	(1.72)	4.17	438.12	151.38	33.39	3.98	(0.14)	3.24	185.37	252.75	158.27
	Furniture and Fixtures	4.96	1.51	-	0.05	-	-	0.13	6.39	3.73	0.51	-	-	0.10	4.14	2.25	1.23
	Vehicles	1.19	0.04	0.05	-	-	-	0.04	1.24	0.85	0.14	-	-	0.04	0.95	0.29	0.34
	Office Equipments	13.92	1.69	0.64	-	-	(0.02)	0.02	16.21	10.40	1.83	-	-	0.02	12.21	4.00	3.52
	Total	**411.59**	**99.44**	**60.48**	**4.11**	**0.38**	**(1.79)**	**4.36**	**569.85**	**176.62**	**38.47**	**3.98**	**(0.14)**	**3.40**	**215.53**	**354.32**	**234.97**
(ii)	**Intangible Assets**																
	Licenses	4.21	0.40	-	-	-	-	-	4.61	3.65	0.40	-	-	-	4.05	0.56	0.56
	Goodwill	10.16	-	-	-	-	-	-	10.16	4.06	2.04	-	-	-	6.10	4.06	6.10
	Total	**14.37**	**0.40**	**-**	**-**	**-**	**-**	**-**	**14.77**	**7.71**	**2.44**	**-**	**-**	**-**	**10.15**	**4.62**	**6.66**
	Total Property, Plant and Equipment and Intangible assets	**425.96**	**99.84**	**60.48**	**4.11**	**0.38**	**(1.79)**	**4.36**	**584.62**	**184.33**	**40.91**	**3.98**	**(0.14)**	**3.40**	**225.68**	**358.94**	**241.63**
(iii)	**Capital work in progress**															**7.39**	**29.47**
Total																**366.33**	**271.10**

** Other adjustment represents the opening balance of Precision Die Casting, Inc acquired through RMIH

₹ Crores

Note : 13	**As at 31 March 2017**	**As at 31 March 2016**
Long Term Loans and Advances (Unsecured considered good)		
Capital Advances	7.15	1.93
Deposits with Government authorities:		
i) Security deposits	7.29	6.34
ii) Amount paid to statutory authorities	2.84	1.81
Advance Income Tax [Net of Provision for tax ₹ 50.27 crores (previous year ₹ 44.79 crores)]	7.52	8.66
MAT credit entitlement	12.53	11.07
Total	**37.33**	**29.81**

₹ Crores

Note : 14	**As at 31 March 2017**	**As at 31 March 2016**
Other Non current assets		
Tooling cost recoverable	7.82	-
Total	**7.82**	**-**

₹ Crores

Note : 15	**As at 31 March 2017**	**As at 31 March 2016**
Inventories (Valued at Lower of Cost and Net Realisable Value)		
Raw Materials and Components *	20.48	18.21
Work-in-Progress *	14.62	13.21
Finished Goods *	65.53	55.66
Goods in transit *	4.01	3.71
Stores and Spares	21.73	10.17
Total	**126.37**	**100.96**
* Refer Note 31		

₹ Crores

Note : 16	As at 31 March 2017	As at 31 March 2016
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from due date for payment:		
Considered doubtful	2.69	1.58
Less: provision for doubtful receivables	2.69	1.58
Other debts:		
Considered good	181.45	161.79
Considered doubtful	0.86	1.84
Less: provision for doubtful receivables	0.86	1.84
Total	**181.45**	**161.79**

₹ Crores

Note : 17	As at 31 March 2017	As at 31 March 2016
Cash and Bank balances		
Cash and Cash equivalents		
Cash on hand	0.17	0.12
Bank balance in current accounts	8.82	1.54
EEFC account	0.02	0.03
Other bank balances		
Deposit accounts (Includes ₹ Nil (Previous year ₹ 0.14 Crores) lodged with government authorities)	0.19	0.83
Margin money Deposits	0.15	0.15
Earmarked Accounts		
Unpaid Dividend accounts	0.17	0.14
Interest warrant accounts	-	0.01
Total	**9.52**	**2.82**

₹ Crores

Note : 18	As at 31 March 2017	As at 31 March 2016
Short term loans and advances (Unsecured)		
Considered good		
Prepaid expenses	2.73	1.53
Advance to suppliers	4.02	3.40
Loans to employees	0.29	0.54
Balance with Customs and Excise Authorities	19.25	16.67
Export Entitlements	7.14	5.22
Claims receivable	0.69	0.34
Advance Fringe Benefits Tax	0.03	0.03
Other Deposits	0.03	0.02
Considered doubtful		
Advance to Suppliers	0.21	0.84
Less: provision for doubtful loans and advances	0.21	0.84
Total	**34.18**	**27.75**

₹ Crores

Note : 19	As at 31 March 2017	As at 31 March 2016
Other current assets		
Interest accrued on deposits	0.39	0.38
Unamortised finance costs	0.68	0.69
Insurance claims receivable	2.20	2.42
Tooling cost recoverable	1.67	6.57
Total	**4.94**	**10.06**

₹ Crores

Note : 20	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from Operations		
Sale of Products *	1,264.25	939.31
Less : Excise Duty	93.44	82.52
Net Sale of Products (i)	**1,170.81**	**856.79**
Other operating revenues :		
Sale of scrap	14.62	13.63
Less : Excise Duty	1.40	1.33
	13.22	12.30
Sale of raw materials	2.97	1.31
Less : Excise Duty	0.36	0.28
	2.61	1.03
Export entitlements	10.56	6.03
Sale of Tools	11.88	13.77
Net other operating revenues (ii)	**38.27**	**33.13**
Total (i) + (ii)	**1,209.08**	**889.92**
* Refer Note 34		

₹ Crores

Note : 21		Year ended 31 March 2017	Year ended 31 March 2016
Other Income			
Interest Income	- on Deposits	0.27	0.32
	- on Supplier payments	0.11	0.10
Other Non-operating income		9.85	1.21
Amenities income		0.01	0.02
Total		**10.24**	**1.65**

₹ Crores

Note : 22	Year ended 31 March 2017	Year ended 31 March 2016
Cost of Materials consumed		
Opening stock	18.21	17.31
Add: Purchases	645.66	497.91
Less: Closing stock	20.48	18.21
Raw materials and Components consumed *@	**643.39**	**497.01**
Freight inward	12.19	9.14
Job work expenses	31.25	23.36
Total	**686.83**	**529.51**
* includes cost of raw materials and components sold	2.70	1.18
@ Refer Note 35		

₹ Crores

Note : 23	Year ended 31 March 2017	Year ended 31 March 2016
Changes in inventories of finished goods and work in progress		
Opening Stock :		
Work-in-progress	13.21	8.01
Finished Goods	59.37	51.22
Total - A	**72.58**	**59.23**
Less :		
Closing Stock		
Work-in-progress	14.62	13.21
Finished Goods	69.54	59.37
Total - B	**84.16**	**72.58**
(Increase) / Decrease in Stocks (A – B)	**(11.58)**	**(13.35)**

₹ Crores

Note : 24	Year ended 31 March 2017	Year ended 31 March 2016
Employee benefit expenses		
Salaries and Wages	156.10	90.99
Contributions to:		
Provident and other Fund	5.38	4.15
Superannuation Fund	0.84	0.77
National Pension Scheme contribution	0.06	0.05
Savings plan	1.25	0.15
Pension plan	(0.71)	0.23
Gratuity Fund	2.29	1.88
Staff Welfare Expenses	14.51	10.05
Total	**179.72**	**108.27**

Employee Benefits

A. **Gratuity :** In keeping with the Company's Gratuity Scheme (defined benefit plan) eligible employees are entitled to gratuity benefit (at one half month's eligible salary for each completed year of service) on retirement/death/incapacitation/ termination etc. Also refer Note 1. 12(b) (iii) for accounting policy relating to gratuity.

Following are the further particulars relating to gratuity.

₹ Crores

		2016-17	2015-16
I	**Reconciliation of opening and closing balances of the present value of the Defined benefit obligation**		
	Present value of obligation as at the beginning of the year	12.53	12.13
	Interest cost	0.98	0.86
	Current service cost	1.03	0.97
	(Benefits paid)	(0.53)	(2.05)
	Actuarial (Gain) / Loss	0.91	0.62
	Present value of obligation as at the end of the year	**14.92**	**12.53**
II	**Reconciliation of opening and closing balances of the Fair value of the plan assets**		
	Fair value of plan assets at the beginning of the year	8.03	8.22
	Expected return on plan assets	0.75	0.70
	Contributions	1.23	1.29
	(Benefits paid)	(0.53)	(2.05)
	Actuarial (Loss)/Gain	(0.12)	(0.13)
	Fair value of plan assets at the end of the year	**9.36**	**8.03**
III	**Reconciliation of present value of Defined Benefit Obligation in 'I' above and fair value of plan assets in 'II' above**		
	Present value of the obligation at the end of the year	14.92	12.53
	Fair value of plan assets at the end of the year	9.36	8.03
	Liability recognised in the Balance Sheet	**5.56**	**4.50**

Note : 24 (Contd.)

₹ Crores

		2016-17	2015-16
IV	**Expense Charged to Statement of Profit and Loss**		
	Current service cost	1.03	0.97
	Interest cost	0.98	0.86
	Expected return on plan assets	(0.75)	(0.70)
	Actuarial Loss / (Gain)	1.03	0.75
	Expense recognised in the Statement of Profit and Loss*	**2.29**	**1.88**
	* Included in contribution to 'Gratuity Fund' under Employee Costs of respective years.		
V	**Percentage of each category of Plan assets to total Fair Value of Plan Assets**		**Funds managed by LIC**
VI	**Actual return on Plan Assets**	**0.63**	**0.57**
VII	**Principal Actuarial Assumptions at Balance Sheet date**		
	Discount rate	7.40%	8.00%
	Expected rate of salary increase		
	- Executives and Staff	8.00%	8.00%
	- Operators	6.00%	6.00%
	Expected rate of return on plan assets	9.00%	9.00%
	Attrition rate		
	- Executives and Staff	8.00%	8.00%
	- Operators	3.00%	3.00%

VIII	**Experience Adjustments ***	**2016-17**	**2015-16**	**2014-15**	**2013-14**	**2012-13**
	Present Value of obligation	14.92	12.53	12.13	9.76	11.47
	Plan Assets	9.36	8.03	8.22	6.81	8.52
	Surplus / (Deficit)	(5.56)	(4.50)	(3.91)	(2.95)	(2.95)
	Experience adjustments on plan liabilities - (Loss) / Gain	(0.34)	(0.78)	(0.30)	(0.49)	(0.90)
	Experience adjustments on plan assets - (Loss) / Gain	(0.08)	(0.15)	(0.07)	(0.11)	(0.04)
IX	**Enterprises' best estimate of contribution during the next year**	5.56	4.50	3.91	2.95	2.95

* Experience adjustment has been disclosed upto FY 2012-13 based on the information available in the actuarial valuation report.

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

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

Note : 24 (Contd.)

B. Compensated Absences

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

₹ Crores

	2016-17	2015-16
Principal Actuarial Assumptions at Balance Sheet date		
Discount rate	7.40%	8.00%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	6.00%	6.00%
Attrition rate		
- Executives and Staff	8.00%	8.00%
- Operators	3.00%	3.00%

Employee Benefits

DEFINED BENEFIT PLANS (Retirement benefit plan)

The following table set out the status of the pension plan as required under Accounting Standard 15 on "Employee benefits". Reconciliation of opening and closing balances of the present value of the defined benefit obligation and plan assets.Also refer note 1.12(b) (iv) for accounting policy relating to pension plan.

₹ Crores

		2016-17	2015-16
I	**Reconciliation of opening and closing balances of the present value of the Defined benefit obligation**		
	Present value of obligation as at the beginning of the year	36.23	38.41
	Interest cost	1.38	0.16
	Current service cost	0.88	0.12
	(Benefits paid)	(0.85)	(0.09)
	Actuarial (Gain) / loss	(1.79)	(1.25)
	Experience gain/loss	(0.32)	-
	Translation (Gain)/Loss	(0.80)	(1.12)
	Present value of obligation as at the end of the year	**34.73**	**36.23**
II	**Reconciliation of opening and closing balances of the Fair value of the plan assets**		
	Fair value of plan assets at the beginning of the year	19.99	20.57
	Expected return on plan assets	0.87	0.16
	Contributions	1.53	0.16
	(Benefits paid)	(0.85)	(0.09)
	Actuarial (loss)/Gain	(0.01)	0.04
	Translation Gain/(Loss)	(0.51)	(0.85)
	Fair value of plan assets at the end of the year	**21.02**	**19.99**

Note : 24 (Contd.)

₹ Crores

		2016-17	2015-16
III	**Reconciliation of present value of Defined Benefit Obligation in 'I' above and fair value of plan assets in 'II' above**		
	Present value of the obligation at the end of the year	34.73	36.23
	Fair value of plan assets at the end of the year	21.02	19.99
	Liability recognised in the balance sheet	13.71	16.24
IV	**Expense Charged to Statement of Profit and Loss**		
	Current service cost	0.88	0.12
	Interest cost	1.38	0.16
	Expected return on plan assets	(0.87)	(0.16)
	Actuarial loss/(Gain)	(2.10)	0.11
	Expense recognised in the statement of profit and loss*	**(0.71)**	**0.23**
	* Included in pension plan under Employee Costs		
V	**Actual return on Plan Assets**	**0.86**	**0.20**
VI	**Principal Actuarial Assumptions at Balance Sheet date**		
	Discount rate	4.05%	3.85%
	Expected rate of return on plan assets	7.00%	7.00%

₹ Crores

Note : 25	Year ended 31 March 2017	Year ended 31 March 2016
Finance costs		
Interest expense on		
- Borrowings from Banks @	25.25	14.32
- Fixed Deposits (*)	0.04	0.25
- Borrowing from related party	0.20	0.42
- Others	0.13	0.31
Other borrowing costs		
- Discount on Commercial paper	3.06	2.73
- Other borrowing costs	0.76	1.18
Total	**29.44**	**19.21**
* include interest paid/payable to Directors	-	*
@ Net of borrowing cost capitalized (Refer note 45)		

₹ Crores

Note : 26	Year ended 31 March 2017	Year ended 31 March 2016
Other expenses		
Stores, Spares and Tools consumed	62.83	37.42
Packing materials consumed	21.88	18.55
Increase / (Decrease) of excise duty on inventory	0.05	(1.04)
Power and Fuel	37.60	22.37
Repairs and Maintenance :		
- Buildings	3.57	3.23
- Plant and Machinery	11.37	7.34
- Others	11.36	7.63
Rent	2.98	1.30
Insurance	4.89	2.59
Rates and Taxes	2.21	1.57
Travelling and Conveyance	10.00	8.15
Professional Charges	16.29	13.40
Royalty and Technical Fees	0.64	0.25
Information Systems	3.90	3.43
Commission to Chairman	0.51	0.45
Freight Outward and Storage charges	30.71	23.25
Advertisement and Sales Promotion	6.10	6.71
Discount and Incentive	14.00	13.86
Sales Commission	0.38	0.05
Product Warranty	1.16	1.16
Trade Mark	4.96	4.26
Provision for Doubtful Trade receivables and advances (Net of Write back)	(0.11)	0.43
Directors' Sitting Fees	0.13	0.15
Payment to auditors as auditors		
- Statutory Audit Fee	0.27	0.30
- Tax Audit Fee	0.03	0.03
- Limited Review Fee	0.06	0.06
- Certification Fee	0.05	0.05
- Reimbursement of expenses	0.01	*
Net loss on foreign currency transactions	5.05	2.99
Loss on sale of assets	0.64	0.62
Donation	0.40	0.43
Miscellaneous Expenses	9.98	6.06
Total	**263.90**	**187.05**

* Amount is below the rounding off norm adopted by the Company

The company has incurred an amount of ₹ 0.48 Crores towards Corporate Social Responsibility activities during the current year ended 31 March 2017.

Note: 27
Related Party Disclosures

		2016-17	2015-16
(a)	List of related parties where control exists		
	Holding Company	Rane Holdings Limited (RHL)	Rane Holdings Limited (RHL)
(b)	Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman
(c)	Relative of KMP	L Lakshman Meenakshi Ganesh Aditya Ganesh Aparna Ganesh Shanthi Narayan Vanaja Aghoram	L Lakshman Meenakshi Ganesh Aditya Ganesh Aparna Ganesh Shanthi Narayan Vanaja Aghoram
(d)	Enterprises over which KMP or relatives of KMP can exercise significant influence	Rane Foundation L Lakshman HUF L Ganesh HUF	Rane Foundation L Lakshman HUF L Ganesh HUF
(e)	Other Related parties where transactions has taken place		
	Fellow Subsidiaries	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)	Rane Engine Valve Limited (REVL) Rane Holdings America Inc. (RHAI) Rane Brake Lining Limited (RBL)
	Joint ventures of the Holding company	Rane TRW Steering Systems Private Limited (RTSS) Rane NSK Steering Systems Private Limited (RNSS)	Rane TRW Steering Systems Private Limited(RTSS) Rane NSK Steering Systems Private Limited(RNSS)
	Associate of the Holding company	SasMos HET Technologies Limited	SasMos HET Technologies Limited

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

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Transaction during the year																
Professional Charges	2.86	3.89	-	-	-	-	-	-	-	-	-	-	-	-	2.86	3.89
Professional charges - REVL	-	-	-	-	-	-	-	-	-	-	0.06	0.10	-	-	0.06	0.10
Software Expenses	4.23	3.08	-	-	-	-	-	-	-	-	-	-	-	-	4.23	3.08
Training Expenses	0.82	0.59	-	-	-	-	-	-	-	-	-	-	-	-	0.82	0.59
Miscellaneous Expenses	0.73	0.17	-	-	-	-	-	-	-	-	-	-	-	-	0.73	0.17
Trademark Fee	5.57	4.02	-	-	-	-	-	-	-	-	-	-	-	-	5.57	4.02
Marketing Services	-	-	-	-	-	-	-	-	-	-	0.60	-	-	-	0.60	-
Service Fees	0.29	-	-	-	--	-	-	-	-	-	-	-	-	-	0.29	-
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	1.74	2.34	-	-	1.74	2.34
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	12.98	17.92	-	-	12.98	17.92
Job Charges-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.06	-	0.06	-
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.11	0.05	0.11	0.05
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	7.05	6.08	7.05	6.08

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Sales-RTSS	–	–	–	–	–	–	–	–	–	–	–	–	24.61	20.21	24.61	20.21
Interest on Term Loan-RTSS	–	–	–	–	–	–	–	–	–	–	–	–	0.19	0.42	0.19	0.42
Donation-Rane Foundation	–	–	–	–	–	–	–	–	0.39	0.43	–	–	–	–	0.39	0.43
Interest free Loan-Rane Foundation	–	–	–	–	–	–	–	–	–	(0.50)	–	–	–	–	–	(0.50)
Commission to Chairman	–	–	–	–	0.51	0.45	–	–	–	–	–	–	–	–	0.51	0.45
Salaries - Mr. S Parthasarathy	–	–	–	–	1.38	1.14	–	–	–	–	–	–	–	–	1.38	1.14
Interest paid on Fixed Deposits	–	–	–	–	–	*	*	0.03	–	*	–	–	–	–	*	0.03
Sitting Fees	–	–	–	–	0.02	0.02	0.03	0.03	–	–	–	–	–	–	0.05	0.05
Fixed Deposits accepted / (repaid)	–	–	–	–	–	(0.05)	(0.20)	(0.05)	–	(0.02)	–	–	–	–	(0.20)	(0.12)
Balance as at year end																
Fixed Deposits outstanding	–	–	–	–	–	–	–	0.20	–	–	–	–	–	–	–	0.20
Payables	3.30	2.01	–	–	0.51	0.45	–	–	–	–	1.00	0.81	0.55	1.19	5.36	4.46
Receivables	–	–	–	–	–	–	–	–	–	–	0.06	0.02	2.81	3.30	2.88	3.32
Term loan payable-RTSS	–	–	–	–	–	–	–	–	–	–	–	–	0.66	3.28	0.66	3.28

Details of Related Party transactions :

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Related parties where transactions has taken place (Fellow Subsidiaries)		Joint ventures of the Holding company		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Interest paid on Fixed Deposits																
Mr L Ganesh	–	–	–	–	–	*	–	–	–	–	–	–	–	–	–	*
Mrs Vanaja Aghoram	–	–	–	–	–	–	–	*	–	–	–	–	–	–	–	*
Mrs Shanthi Narayan	–	–	–	–	–	–	*	0.02	–	–	–	–	–	–	*	0.02
Mr L Lakshman HUF	–	–	–	–	–	–	–	–	–	*	–	–	–	–	–	*
Fixed Deposits accepted / (repaid)																
Mr L Ganesh	–	–	–	–	–	(0.05)	–	–	–	–	–	–	–	–	–	(0.05)
Mrs Vanaja Aghoram	–	–	–	–	–	–	–	(0.05)	–	–	–	–	–	–	–	(0.05)
Mr L Lakshman HUF	–	–	–	–	–	–	–	–	–	(0.02)	–	–	–	–	–	(0.02)
Mrs Shanthi Narayanan	–	–	–	–	–	–	(0.20)	–	–	–	–	–	–	–	(0.20)	–
Fixed Deposits outstanding																
Mrs Shanthi Narayan	–	–	–	–	–	–	–	0.20	–	–	–	–	–	–	–	0.20
Payables																
RHL	3.30	2.01	–	–	–	–	–	–	–	–	–	–	–	–	3.30	2.01
Mr L Ganesh	–	–	–	–	0.51	0.45	–	–	–	–	–	–	–	–	0.51	0.45
REVL	–	–	–	–	–	–	–	–	–	–	0.40	0.61	–	–	0.40	0.61
RHAI	–	–	–	–	–	–	–	–	–	–	0.60	0.19	–	–	0.60	0.19
RTSS	–	–	–	–	–	–	–	–	–	–	–	–	0.01	–	0.01	–
RNSS	–	–	–	–	–	–	–	–	–	–	–	–	0.54	1.19	0.54	1.19
Receivables																
RHAI	–	–	–	–	–	–	–	–	–	–	0.06	–	–	–	0.06	–
RTSS	–	–	–	–	–	–	–	–	–	–	–	–	2.81	3.30	2.81	3.30
REVL	–	–	–	–	–	–	–	–	–	–	–	0.02	–	–	–	0.02

*Amount is below the rounding off norm adopted by the Company

₹ Crores

Note : 28	As at 31 March 2017	As at 31 March 2016
Contingent Liabilities, Guarantees and Commitment		
Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
(i) Income Tax matters under appeal by the Company	18.28	18.15
(ii) Central Excise, Service Tax and Sales tax matters under appeal by the Company	4.61	14.43
(iii) Labour related matters under appeal by the Company	2.10	1.24
Others		
(i) Income Tax matters under appeal by the Department	0.31	0.31
Future cash flows in respect of the above matters are determinable only on receipts of judgments/ decisions pending at various authorities		
Guarantees and Letter of Credit		
Outstanding bank guarantees	0.47	1.07
Letter of credit	9.51	18.83
Bill Discounting		
Out standing	3.52	26.18
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 2.46 crores (previous year ₹ 1.55 crores)]		
Tangible assets	12.64	8.18
Total	**51.44**	**88.39**

₹ Crores

Note : 29	As at 31 March 2017	As at 31 March 2016
The final dividend proposed for the year is as follows:		
On Equity Shares of ₹ 10 each		
Interim dividend proposed during the year	2.10	4.73
Dividend per equity share	₹ 2.00 per share	₹ 4.50 per share
Amount of final dividend proposed	4.20	-
Dividend per equity share	₹ 4.00 per share	₹ Nil per share

₹ Crores

Note : 30	As at 31 March 2017	As at 31 March 2016
Earnings Per Share		
Profit after Tax (₹ Crores) (A)	4.96	12.67
Number of equity shares of ₹ 10 each at the beginning of the year	1,05,10,649	1,05,10,649
Add:Equity shares issued during the year	-	-
Number of equity shares of ₹ 10 each at the end of the year	1,05,10,649	1,05,10,649
Weighted average number of equity shares of ₹ 10 each outstanding during the year (B)	1,05,10,649	1,05,10,649
Earnings per share (Basic and Diluted) - in Rupees (A/B)	4.08	11.42

₹ Crores

Note : 31	As at 31 March 2017	As at 31 March 2016
Particulars of Closing Inventories of Raw Materials, Work-in-Progress and Finished Goods		
Raw Materials and components		
Steel Forgings	3.11	2.84
Castings	1.21	0.88
Steel Tubes	0.05	0.06
Aluminium	1.91	2.61
Aluminium Pumps & Tubes	0.98	1.10
Others (individually less than 10% of the total raw materials and components inventory)	13.22	10.72
Total	**20.48**	**18.21**
Work-in-progress		
Steering and Suspension Linkage Products	5.44	3.70
Steering Gear Products	2.25	3.05
Cylinder	0.88	0.21
Die casting products	6.05	6.25
Total	**14.62**	**13.21**
Finished goods		
Steering and Suspension Linkage Products	19.94	22.85
Steering Gear Products	18.33	10.23
Cylinder	1.10	2.33
Die casting products	25.13	19.40
Other Auto components	5.04	4.56
Total	**69.54**	**59.37**

₹ Crores

Note : 32	Year ended 31 March 2017	Year ended 31 March 2016
Segment Reporting		
1. Revenue by Geographical Market		
India	762.82	653.67
Rest of the world	446.26	236.25
Total	**1,209.08**	**889.92**
2. Carrying Amount of Segment Assets		
India	583.51	542.26
Rest of the world	202.58	159.22
Total	**786.09**	**701.48**
3. Additions to Property,Plant and Equipment and Intangible Assets		
India	51.42	104.33
Rest of the world	4.94	-
Total	**56.36**	**104.33**

The Company's operations comprise of only one business segment viz., components for transportation industry.

The geographical segments considered for disclosure are – India and Rest of the World.

Note : 33

Exceptional Item

Exceptional items represents amount paid to employees who opted for voluntary retirement scheme extended to employees during the year ended March 31, 2016

₹ Crores

Note : 34	Year ended 31 March 2017	Year ended 31 March 2016
Details of Sale of Products		
Steering and Suspension Linkage Products	382.74	365.00
Steering Gear Products	474.99	391.94
Cylinder	21.76	23.21
Die casting products	340.05	124.27
Other Auto components	44.71	34.89
Total	**1,264.25**	**939.31**

₹ Crores

Note : 35		Year ended 31 March 2017		Year ended 31 March 2016
Details for Raw Materials and components consumed				
Steel Forgings		127.66		107.32
Castings		57.45		44.14
Steel Tubes		95.76		48.29
Aluminium		141.82		58.20
Aluminium pumps and tubes		5.85		8.08
Other Auto parts		29.16		22.21
Others (individually less than 10% of the total consumption)		182.99		207.59
Total		**640.69**		**495.83**
Imported	9.08%	58.17	8.77%	43.50
Indigenous	90.92%	582.52	91.23%	452.33
Total	**100.00%**	**640.69**	**100.00%**	**495.83**

₹ Crores

Note : 36		Year ended 31 March 2017		Year ended 31 March 2016
Stores, Spares and Tools consumed				
Imported	2.24%	1.41	1.36%	0.51
Indigenous	97.76%	61.42	98.64%	36.91
Total	**100.00%**	**62.83**	**100.00%**	**37.42**

₹ Crores

Note : 37	Year ended 31 March 2017	Year ended 31 March 2016
Value of Imports calculated on CIF basis		
Raw materials	40.37	29.35
Components	20.17	14.56
Stores, Spares & Tools	1.28	0.60
Capital goods	10.12	18.83
Total	**71.94**	**63.34**

₹ Crores

Note : 38	Year ended 31 March 2017	Year ended 31 March 2016
Research and Development cost		
Capital expenditure	3.82	0.97
Revenue expenditure		
i) Materials	0.56	0.32
ii) Employee benefits	4.54	3.88
iii) Professional fees	0.41	1.13
iv) Consumables	0.77	0.42
v) Travel expenses	0.46	0.62
vi) Others	0.97	0.59
Total	**11.53**	**7.93**

Note: The above expenditure has been incurred by all the units of the company . However deduction under Section 35(2AB) of the income tax act , 1961 is being claimed only for Puducherry and Velachery unit.

₹ Crores

Note : 39	Year ended 31 March 2017	Year ended 31 March 2016
Expenditure in foreign currency		
Travelling expenses	0.89	0.89
Freight outward and storage charges	3.08	1.48
Sales promotion expenses	1.76	2.89
Interest	1.48	0.69
Royalty, Professional and Technical Fees	1.45	2.23
Total	**8.66**	**8.18**

₹ Crores

Note : 40	Year ended 31 March 2017	Year ended 31 March 2016
Earnings in foreign exchange		
FOB Value of Exports	216.31	182.11

₹ Crores

Note : 41	Year ended 31 March 2017	Year ended 31 March 2016
Operating Leases		
The Company has taken vehicles and forklifts under operating lease for a period of 48 months. The details of the maturity profile of future operating lease payments are furnished below:		
a. Future minimum lease payments under non-cancellable operating lease for each of the following periods:		
- Not later than one year	0.92	0.43
- Later than one year and not later than five years	1.42	0.57
- Later than five years	-	-
b. Lease payments recognised in the Statement of Profit and Loss for the period	0.98	0.46
Finance Leases		
The details of the maturity profile of future finance lease payments are furnished below:		
a. Future minimum lease payments under Finance lease for each of the following periods:		
- Not later than one year	1.90	3.11
- Later than one year and not later than five years	2.80	4.82
- Later than five years	-	-
b. Lease interest recognised in the Statement of Profit and Loss for the period	0.25	0.49

Note : 42

Details on derivative instruments and unhedged foreign currency exposures

I. The following derivative positions are open as at 31 March 2017

(a) Forward exchange contracts and options (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables and receivables.

(i) Outstanding forward exchange contracts entered into by the Company as on 31 March 2017

₹

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	7,23,09,000	₹
USD	Sell	(-)	₹
JPY	Buy	-	₹
JPY	Buy	(8,22,33,155)	₹

Note: Figures in brackets relate to the previous year

Note : 42 (Contd.)

II. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

₹ Crores

	As at 31 March 2017		As at 31 March 2016	
Nature of transactions	**Receivable/ (Payable) ₹**	**Receivable/ (Payable) Foreign Currency**	**Receivable/ (Payable) ₹**	**Receivable/ (Payable) Foreign Currency**
Loan Payable - USD	(39.53)	-$0.61	(59.52)	-$0.90
Receivables - USD	39.02	$0.59	32.88	$0.50
Receivables - EUR	3.37	€ 0.04	1.91	€ 0.03
Loan Payable- EUR	-	€ 0.00	(0.66)	-€ 0.01
Payables - USD	(9.91)	-$0.15	(5.84)	-$0.09
Payables - EUR	(0.69)	-€ 0.01	(0.38)	-€ 0.01
Payables - YEN	(3.13)	-¥5.42	-	¥0.00
Payables - GBP	-	£0.00	(0.05)	-£0.00
Advances - USD	1.06	$0.02	0.47	$0.01
Advances - EUR	0.31	€ 0.00	0.59	€ 0.01
Adavnces - GBP	0.05	£0.00	0.06	£0.00

Note on Disclosures required under Guidance Note on Accounting for Derivative Contracts issued by the ICAI:

1. The Company's policy provide for a framework for foreign currency exposures both currency risks and interest rate risk. As per the policy, the Company does not participate in pure speculative hedging transactions i.e. , hedging transactions that are not supported by underlying inflows / out flows of foreign currency.

2. Derivatives are initially recognised at fairvalue at the date on which the Derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. Fair value of Derivative contracts are determined by Mark to Market valuation.

3. Foreign currency transactions include transactions arising from Exports and Imports of goods / services, payment for professional fee, technical fee, royalty, Letter (s) of credit , Supplier credit and foreign currency loans. A twelve month rolling forecast is made and hedging options exercised as per the forex policy of the Company.

Note : 43

Details of Specified Bank Notes ('SBN') held and transacted during the period November 08, 2016 to December 30, 2016 as per the notification issued by the Ministry of Corporate Affairs (MCA) dated March 30, 2017 are provided below:

Amount in ₹

Particulars		SBNs*	Other denomination notes	Total
(A)	Closing cash in hand as on November 08, 2016	6,72,500	4,22,484	10,94,984
(B)	(+) Permitted receipts	4,500	3,03,506	3,08,006
(C)	(-) Permitted payments	28,500	6,10,674	6,39,174
(D)	(-) Amount deposited in Banks	6,48,500	6,600	6,55,100
(E)	**Closing cash in hand as on December 30, 2016**	**-**	**1,08,716**	**1,08,716**

* Specified Bank Notes (SBNs) shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407 (E), dated November 08, 2016.

Note : 44

Additional Information as per Schedule III to The Companies Act, 2013

₹ Crores

Name of the entity	Net assets, i.e. total assets minus total liabilities		Share of profit or loss	
	As a % of consolidated net assets	Amount	As a % of consolidated Profit or Loss	Amount
Parent				
Rane(Madras) Limited	108.45%	176.93	382.45%	18.96
Foreign Subsidiaries				
Rane (Madras) International Holdings, B.V., the Netherlands	(1.33%)	(2.17)	(49.64%)	(2.46)
Rane Precision Die Casting, Inc., United States of America	4.28%	6.98	(232.81%)	(11.54)
Consolidation adjustments	(11.40%)	(18.60)	0.00	0.00
Total	**100.00%**	**163.14**	**100.00%**	**4.96**

₹ Crores

Note : 45	Year ended 31 March 2017	Year ended 31 March 2016
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- Building	-	1.97
- Plant and Machinery	0.09	2.09
- Furniture	-	0.05
Forex capitalization during the year		
- Plant and Machinery	-	0.38
Total	**0.09**	**4.49**

Note : 46

Previous Year Figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Previous year's figures of Consolidated Profit and Loss include results of operations of overseas subsidiaries acquired in the last quarter of the year ended March 31, 2016 and hence not comparable with that of the full year results for the current year.

Signature to Note 1 to 46
For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

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 Statement of subsidiaries

₹ Crores
USD in Lakhs
EUR in Lakhs

Sl. No.	Particulars	1		2	
1	Name of the subsidiary	Rane (Madras) International Holdings B.V		Rane Precision Die Casting, Inc.,	
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period				
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.		EUR 1EUR= ₹ 69.25		USD 1USD= ₹ 64.80
		EUR	**INR**	**USD**	**INR**
4	Share capital	0.20	0.15	28.46	18.44
5	Reserves & surplus	(3.35)	(2.32)	(17.69)	(11.46)
6	Total assets	30.35	21.03	162.31	105.18
7	Total Liabilities	33.50	23.20	151.54	98.20
8	Investments	26.63	18.44	-	-
9	Turnover	-	-	320.36	214.89
10	Profit before taxation	(3.34)	(2.46)	(13.31)	(8.93)
11	Provision for taxation	-	-	3.89	2.61
12	Profit after taxation	(3.34)	(2.46)	(17.21)	(11.54)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Vice Chairman

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : May 16, 2017

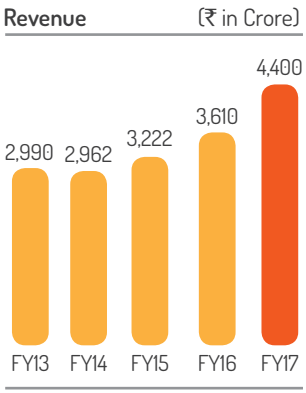
Our Parentage

Rane Holdings Limited

Established in 1929, Rane Holdings Limited (RHL), through its group companies, is engaged in the manufacturing and marketing of automotive components for the transportation industry. The Group is recognized as the preferred Original Equipment vendor for auto majors in India and overseas. It supplies to all sections of automobile industry including passenger car, light commercial vehicle, medium and heavy commercial vehicle, two-wheeler, three-wheeler, multi-utility vehicle and farm tractor.

Rane Holdings has a multi-location presence in India with 23 plants across the country. With the acquisition of US-based Precision Die Casting Inc., it has a presence in USA.

The Group companies play a key role in setting the vision for the group and its various companies and offering consultancy and other services to its subsidiaries. A sharp focus by the Group on operational excellence through Total Quality Management (TQM) has seen its various group companies been awarded three Deming Grand Prizes and four Deming Prizes.



Our Corporate Structure

Subsidiaries	Joint Ventures
Rane (Madras) Limited • Rane (Madras) International Holdings, B.V., The Netherlands • Rane Precision Die Casting Inc., USA	Rane TRW Steering Systems Private Limited
Rane Engine Valve Limited	Rane NSK Steering Systems Private Limited
Rane Brake Lining Limited	JMA Rane Marketing Limited
Rane Holdings America Inc., USA	
Rane Holdings Europe GmbH, Germany	



Expanding Horizons

Rane (Madras) Limited
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