

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

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.rane.co.in

Rane (Madras) Limited



RML/SE/ /2016-17

June 25, 2016

BSE Limited (BSE) Corporate Relationship Department, 1st Floor, New Trading Ring, PJ Towers, Dalal Street, Mumbai 400 001	Listing Department National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No.C/1, 'G' Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Code No. 532661	Code : RML

Dear Sir / Madam,

Sub: Annual Report of the 12th Annual General Meeting

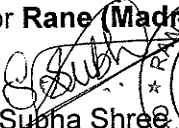
Copy of the Annual Report of the 12th Annual General Meeting (AGM) being sent to the shareholders of the Company, is enclosed. The Annual Report of 12th AGM is also available on the website of the company at www.rane.co.in.

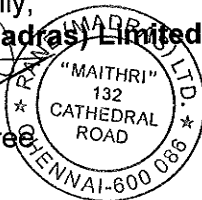
We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and acknowledge receipt.

Thanking you.

Yours faithfully,

For **Rane (Madras) Limited**


S Subha Shree
Secretary



Encl: a/a

The background features a dark blue-grey gradient. Overlaid on this are several concentric circles, some solid and some dotted. A prominent graphic element is a fan-like shape composed of three overlapping, semi-transparent white and light blue curved segments that radiate from a central point on the right side of the page.

Dream. Design. Deliver.

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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.

As the world becomes One, it is in midst of paradigm shifts. Change and disruptions are becoming norms than exceptions. Financial gyrations in one country can have serious consequences in another. An economic slowdown sneeze in two-three countries can give major economies a serious cold. Technology innovations can change the course of the same or another industry. The era of isolation is long over.

No other industry is witnessing these rapid changes as the Auto industry. Electric cars, self-driving cars, new ownership models, the blurring lines between technology and auto companies... these are few of the disruptions causing upheavals in the auto and auto ancillary industries. But for the brave hearts and the prepared, these disruptions are also serious opportunities not to be missed.

We believe in the untapped rewards the disruption will bring to the industry. We think that the only way to surf the waves of the oncoming chaos is to map the future and start exploring ways to chart it. As a first step, we have created a blueprint - Vision 2020, for the company to find new profitable spaces and consolidate existing market leadership. The essence of the new vision rests on **3D – Dream, Design and Deliver.**

Dream...
a world-class enterprise

Design...
transport solutions for
tomorrow

Deliver...
sustained
accelerated value

The World of Rane (Madras)

We are a well-diversified global manufacturer of steering and suspension linkages products (SSLP), steering gear products (SGP) and other articles of aluminium die casting products. The steering and linkages division manufactures manual steering gears, hydrostatic steering systems and steering and suspension linkage products. The die casting division manufactures machined steering housings and machined engine components. We have strengthened our global presence with our first overseas acquisition – Rane Precision Die Casting Inc. (RPDC) in Kentucky, USA. We offer our services to a range of automobile sectors, such as passenger vehicles, light commercial vehicles, medium & heavy commercial vehicles and farm tractors.



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.

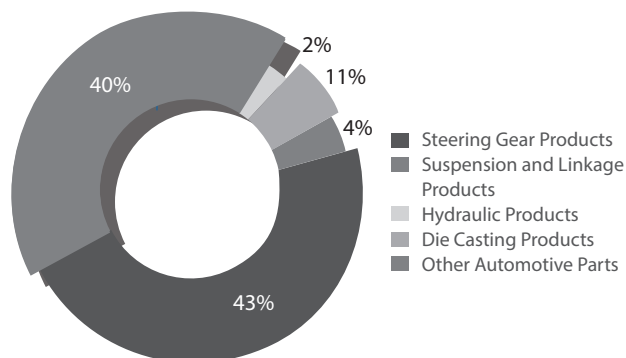
Manufacturing Plants

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

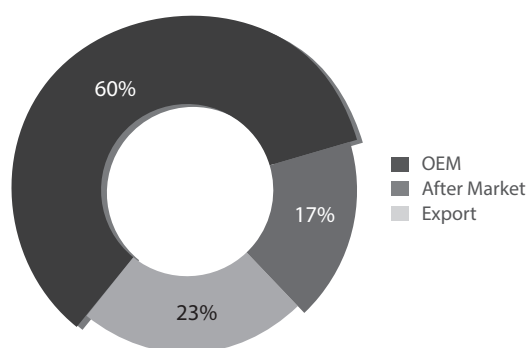
Quality Accreditation

TS 16949	Quality Management; all five manufacturing locations certified; new manufacturing location under certification
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

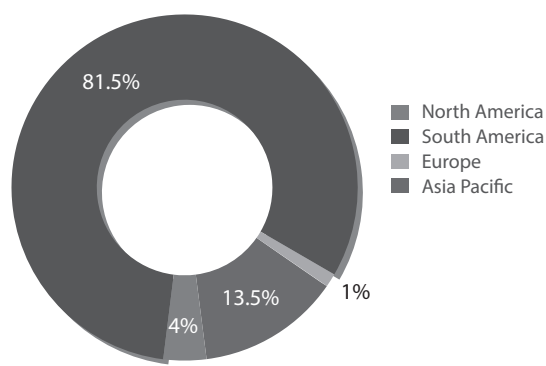
Revenue mix by product category (FY16)



Revenue mix by user segment (FY16)



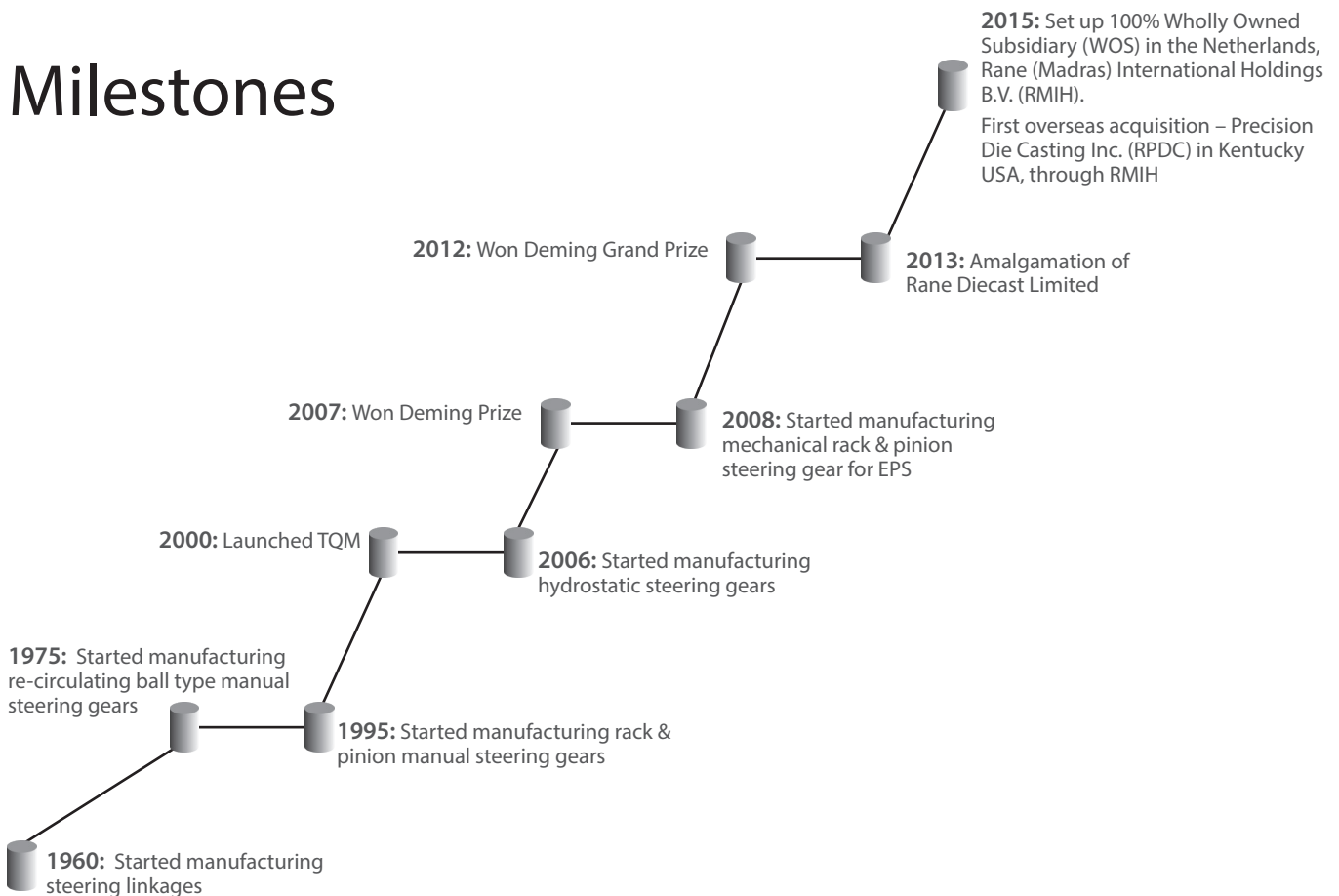
Export Revenue mix by geography (FY16)



Key Customers



Milestones



Financial Highlights

Operational Performance

(₹ in Cr)

Particulars	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Total Income	862.49	779.97	727.51	641.36	673.11	585.46	420.68	353.16	350.82	332.98
EBITDA	79.70	69.67	69.16	57.84	62.98	50.39	34.84	19.25	13.15	31.45
PBT	18.66	16.84	19.68	30.06	37.17	30.83	20.04	1.20	46.74	18.39
PAT	14.09	12.44	16.78	23.42	27.40	24.57	13.81	0.36	36.60	13.62

Balance Sheet Summary**

(₹ in Cr)

Particulars	FY16	FY15	FY14	FY13	FY12	FY11
Equity Share Capital	10.51	10.51	10.51	10.16	10.16	10.16
Shareholders' Funds	160.62	153.73	148.45	130.07	115.06	98.58
Non-Current Liabilities	139.67	62.97	49.90	40.79	50.19	47.61
Current Liabilities	312.66	317.33	256.27	190.23	175.78	131.65
Non-Current Assets	343.46	300.59	245.12	179.09	165.52	124.41
Current Assets	269.49	233.44	209.51	182.00	175.51	153.43

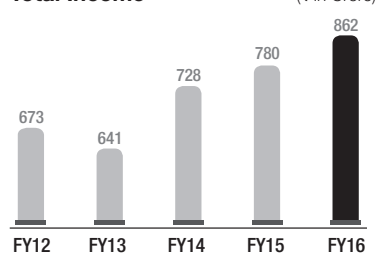
** Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only

Ratios

Particulars	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07
Return on Capital Employed (ROCE) (%)	9.90	10.61	15.83	17.28	23.70	26.90	19.05	7.54	3.68	22.76
Return on Net Worth (RONW) (%)	9.46	8.71	12.41	19.11	25.65	27.14	17.99	0.50	61.82	32.94
Earning per Share (EPS) (₹)	12.77	11.20	15.35	23.04	26.95	24.18	13.59	0.36	35.86	13.08
Dividend (%)	45.00	45.00	55.00	70.00	95.00	70.00	45.00	0.00	60.00	40.00
Book value per share (BVPS) (₹)	144.98	138.43	133.41	127.97	113.20	96.99	81.12	69.94	72.11	44.37

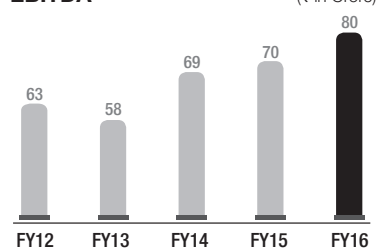
Total Income

(₹ in Crore)



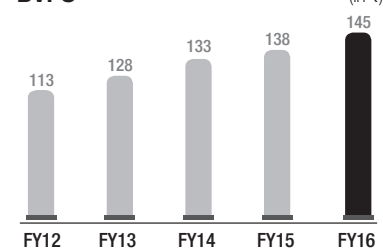
EBITDA

(₹ in Crore)



BVPS

(in ₹)



Board of Directors

Mr. L GANESH - Chairman
Mr. L LAKSHMAN
Mr. HARISH LAKSHMAN
Mr. M LAKSHMINARAYAN
Dr. TRIDIBESH MUKHERJEE
Ms. ANITA RAMACHANDRAN

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
Mr. L GANESH
Mr. L LAKSHMAN
Ms. ANITA RAMACHANDRAN

Corporate Social Responsibility Committee

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

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
Practising Company Secretaries
"Sreshtham" Old No.17, New No.16
Pattammal Street, Mandaveli, Chennai - 600 004.

Registered Office

"MAITHRI"
132, Cathedral Road, Chennai - 600 086.
Phone : 044-28112472 Fax : 044-28112449
Email : investorservices@rane.co.in

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.
Exim Bank, Chennai - 600 002.
HDFC Bank Limited, Chennai - 600 002.
Hongkong Shanghai Banking Corporation 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, Uttarakhand - 263 153
- 5 143/A, SV Co-op Industrial Estate
IDA Bollaram, Medak District - 502 325
Telangana
- 6 Survey No.789/AA, 781, 781/AA, 790/A & 779
Sadasivpet Municipal Limits
Sadasivpet Mandal - 502 291
Medak Dist., Telangana

Registrar & Transfer Agents

Integrated Enterprises (India) Ltd.,
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 Twelfth Annual Report together with the accounts for the year ended March 31, 2016 and other prescribed particulars:

1. State of Company's affairs

1.1 Financial Performance

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

(₹ in Crores)		
Particulars	2015-16	2014-15
Sales and Operating Revenues	860.91	778.88
Other Income	1.58	1.09
Profit Before Tax (PBT)	18.66	16.84
Provision for tax :		
Current	4.21	3.50
Deferred	3.11	4.40
MAT Credit availed	(2.75)	(3.50)
Profit After Tax (PAT)	14.09	12.44
Surplus brought forward	6.37	61.39
Amount available for appropriation	20.46	73.20

Key performance indicators, operational performance and Balance Sheet summary are furnished in page no. 4 of this annual report.

The Company recorded a turnover of ₹ 703.96 Crores from its steering and linkage products showing an increase of 9% over previous year. The Company achieved a turnover of ₹ 95.09 Crores from die casting business recording a marginal decrease. The Company also achieved a turnover of ₹ 30.32 Crores from its auto parts division. The total turnover of the Company was ₹ 829.37 Crores, registering an overall growth of 10% over the previous year.

The Company also incurred an exceptional expenditure of ₹ 2.70 Crores towards voluntary retirement scheme. The profit before tax of the Company was ₹ 18.66 Crores, representing 2% of the turnover. Earnings per share for the year 2015-16 was ₹ 12.77 as against ₹ 11.20 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 acquisition and investments

In a significant move towards pursuing opportunities overseas for inorganic business growth aligned with the strategic goals, the Company acquired Precision Die Casting Inc. (PDC) in USA, engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. The entire shareholding in PDC, having an enterprise value of USD 8.9 million, was acquired from its existing owners at a cost of USD 1. This investment is held by Rane (Madras) International Holdings, B.V, The Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS'), incorporated during the year to hold strategic overseas investments of the Company. The WOS has invested USD 2 million into the equity capital of PDC. The name of PDC was changed to Rane Precision Die Casting Inc., ('RPDC') with effect from March 24, 2016.

The Company has infused USD 2.02 million into the WOS through a combination of equity and loan. The Company has also issued a limited guarantee to the tune of USD 2 million, by way of a Standby Letter of Credit (SBLC), for the term loan facilities availed by RPDC from its existing bankers.

1.2 Appropriation

During the year 2015-16, the Board of Directors declared an interim dividend of 45% (i.e., ₹ 4.50 per share) on the equity shares vide resolution passed on March 10, 2016. The interim dividend was paid on March 23, 2016 to all the eligible shareholders whose name appeared in the register of members of the Company as on March 18, 2016 (being the Record Date) fixed for this purpose. In view of the interim dividend, the Board did not recommend any final dividend for the year ended March 31, 2016.

Out of the profit available for appropriation of ₹ 20.46 Crores, the Directors have declared a dividend on the Cumulative Preference Shares at the rate of 6.74% per annum for the year 2015-16. After transfer of ₹ 7.72 Crores to the general reserve, ₹ 6.37 Crores has been retained as surplus in the Profit and Loss Account.

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 discussed 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 (RPDC).

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. <http://rane.co.in> 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 subsidiary companies.

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.

The terms and conditions of appointment of Independent Directors have been disclosed on the website of the Company and available at <http://rane.co.in/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 Annual General Meeting (AGM), Mr. L Lakshman, Director (DIN 00012554), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the 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, Six (6) 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, two separate meetings of Independent Directors were held. In the said meetings, 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. Also in the meeting of Independent Directors, the performance of the Non-Independent Directors and the Board as a whole was reviewed and the performance of the chairperson of the Company was reviewed 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 clause 49 of the listing agreement as applicable at that time.

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.

3.2 Familiarisation program for Independent Directors

The familiarisation program for Independent Directors and details of familiarisation programmes to Independent Directors are available at <http://rane.co.in/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.

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 Clause 49 of the listing agreement / 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 thirteenth AGM. Their appointment is however, subject to ratification by members at every AGM.

The Company has received a letter from DHS to the effect that ratification of their appointment for 2016-17, 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 statutory auditors report to the members for the year ended March 31, 2016 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 2015-16.

4.4 Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, to undertake the Secretarial Audit of the Company pursuant to Section 204 of the Companies Act, 2013 and the rules made thereunder. The report on the Secretarial Audit carried out for the year 2015-16 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 Services, 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, confirm:

- i. that in the preparation of the Financial Statements for the financial year 2015-16, the applicable accounting standards had been followed and there were no material departures;
- ii. that 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. that 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. that they had prepared the Financial Statements for the financial year on a 'going concern' basis ;
- v. that 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. that 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://rane.co.in/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 of: (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 2015-16 is annexed as **'Annexure D'**. The CSR policy of the Company is available in the Company's website (<http://www.rane.co.in/pdf/policies/rmlcsr.pdf>)

8. Fixed Deposits

The deposit outstanding as on March 31, 2016 amounted to ₹ 1.25 Crores. All deposits that matured during the year were repaid. The Company has not defaulted in repayment of any fixed deposits or any interest thereon.

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. Based on the application made by the Company in terms of Section 74 (2), Company Law Board (CLB) vide its order

dated September 16, 2015 has allowed the Company to repay the deposits on their respective maturity dates in accordance with the terms of acceptance of such deposits or March 31, 2017, whichever is earlier.

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 as stipulated under clause 49 of the listing agreement / Regulation 34 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 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
20 May 2016

Harish Lakshman
Director

L Ganesh
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 across the globe. The Company operates predominantly in a single reportable segment viz., components for transportation industry.

Industry structure, developments and performance

The Domestic auto industry experienced a mixed growth. The year was a strong one for the medium and heavy commercial vehicles (M/HCVs) segment, as volumes increased 27% due to reversal of mining bans, resumption of some stalled infrastructure projects, improvement in freight rates etc.

While the volumes of passenger cars and utility vehicles (UVs) grew by 4% and 14% each respectively on a year on year basis, the volumes of LCVs grew by 10% and small commercial vehicles declined.

An erratic monsoon and droughts continued to hamper the sentiments of the Agriculture and Farming sector and this was reflected in the Farm Tractor business from the 3rd quarter of 2015-16 onwards.

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)	
	2015-16	2014-15
Vehicles		
Passenger Cars (PC)	4%	4%
Utility Vehicles (MUV)	14%	10%
Vans (MPV)	6%	-12%
Small Commercial Vehicles (SCV)	-10%	-20%
Light Commercial Vehicles (LCV)	10%	-4%
Medium & Heavy Commercial Vehicles (M&HCV)	27%	21%
Farm Tractors (FT)	-7%	-13%

Source: Society of Indian Automobile Manufacturers

Domestic Market

The Steering and Linkages business registered a good growth in the PC segment. The Company continues to win new businesses for future growth. The Company also continued to win new programs in other segments as well and sustained its overall market share.

The Die cast business won orders for supply of engine components for the Passenger Car segment through Tier1 customers.

The Company had a challenging time in the After Market segment, but with the introduction of several new products, managed a healthy growth.

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

Products	2015-16	2014-15	(₹ in Crores)
			Growth in %
Steering Gear Products	296.16	261.56	13
Suspension and Linkage Products	279.23	274.21	2
Hydraulic Products	20.41	16.01	27
Die Casting Products	13.78	10.98	26
Other Automotive Parts	30.06	12.99	131
Total	639.64	575.75	11

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

(₹ in Crores)			
Market	2015-16	2014-15	Growth in %
OEM & OES	495.31	445.51	11
Aftermarket	144.33	130.24	11
Total	639.64	575.75	11

Exports

The Steering gear and linkage business continued to grow and have won new business in North America and Europe with significant growth potential in the next two years.

The Die casting business experienced marginal decline due to product mix in North America, the customers preferring SUV's over PCs due to steep drop in fuel prices. The Company has taken serious efforts to get on Board the SUV models as well. The Company has commenced shipment of products in the last quarter from its new plant which will add significant sales volume in the coming years.

During the year the Company has also secured its first die casting program from Europe.

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

(₹ in Crores)			
Products	2015-16	2014-15	Growth in %
Steering Gear Products	58.31	48.05	21
Suspension Linkage Products	49.86	47.02	6
Die Casting Products	81.31	84.50	-4
Other Automotive Parts	0.25	-	100
Total	189.73	179.57	6

Overseas Acquisition :

As a first step towards meeting its vision of establishing a global footprint, the Company has set up a 100% Wholly Owned Subsidiary (WOS) in The Netherlands, Rane (Madras) International Holdings, B.V. (RMIH). The Company has invested 20,000 Euros towards the equity of this WOS. The Company has identified and acquired Precision Die Casting Inc (PDC), a high pressure aluminium die casting company based in Kentucky, USA, which manufactures high-quality, complex lightweight aluminium die castings for the North American automotive market. The strategic rationale in acquiring PDC were as follows:

- ✓ North American customers have been urging the Company to establish a local facility
- ✓ A greenfield project of an equivalent capacity would require a much higher investment.
- ✓ Acquisition would cut the time needed to build a business portfolio in North America.

The Company acquired PDC as a first level step down subsidiary through RMIH and renamed its as Rane Precision Die Casting, Inc. (RPDC). During the year, the Company has lent USD 2.0 million to RMIH to invest in RPDC and has also extended a guarantee for a similar amount to the bankers of RPDC.

Operational and Financial Performance

Financial Review

The Company achieved a turnover of ₹ 829.37 Crores, a growth of 10% over the previous year. The Company continues to experience inflationary pressures in its input costs such as labour, power rates etc. In addition, changes in statutory regulations such as the recent amendment to the Payment of Bonus Act (with a retrospective amendment from 2014-15 as well as an enhancement in the wage and ceiling limit) has impacted the cost structure. As the market conditions were difficult, the Company has planned for stringent cost control measures and initiated cost reduction projects in variable cost to offset the impact of the cost increases.

The Company also incurred an exceptional expenditure of ₹ 2.70 Crores towards separation benefits for its employees opting for a voluntary retirement scheme. The profit before taxation of ₹ 18.66 Crores was arrived after netting off such exceptional

expenditure. The profit after tax was ₹ 14.09 Crores as against ₹ 12.44 Crores in the previous year.

Operations and Manufacturing Review

Last year, the Company engaged an international consultancy firm to assist in defining the long term strategy of the Company. In this financial year, the Company has started implementing the initiatives identified in this direction. The Company started focusing on business from Tier 1 global vehicle manufacturers and this led to winning two new business on this account.

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

The Hydraulic systems plant in Mysuru enabled us to enhance our capabilities in becoming a systems solution provider, thereby meeting the demand of various customers in the Farm Tractor segment as well as Commercial vehicles segment.

The new state of the art R&D facility established in Puducherry helped the Company to design, develop, test and validate new products that would meet our global customer requirements. The Company is also engaged in the development of a proto shop for product development which will go in meeting the expectations of global customers sourcing rack and pinion products.

The Company successfully carried out a seamless transfer of manufacturing operations from its Velachery plant to the Varanavasi plant as planned.

There is a constant evaluation of inhouse vs out sourcing decision in order to optimize capital expenditure.

The Company successfully commissioned its second die casting plant in Hyderabad. This plant was built to handle the future expansion plans of the die cast business. The plant has commenced operations by producing products for new programs to meet customer demands in the North American and Europe region and a ramp up of volumes is expected from this plant in 2016-17.

Pursuit of business excellence

The Company was part of the Rane Group initiative to shift focus from operational excellence to business excellence through the Rane Business Excellence Model (RBEM) program. 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:

- ✓ R&D award from Maruti Suzuki
- ✓ Design to Cost award from Renault Nissan
- ✓ Quality achievement award from Polaris for the second consecutive year

Outlook

The Indian economy is forecast to grow at 7.6% (source: KPMG). The recent budget with its strong emphasis on high spends in the infrastructure and agriculture sectors is expected to stimulate growth in the auto industry. The economic reforms introduced by the government, a stable macro-economic environment and the falling commodity prices are some of the factors that have helped India achieve strong economic growth estimates.

The Passenger Car market is expected to grow at a CAGR of 9% to 10% (domestic and exports) over the medium term. With a strong expectation of the revival of the infrastructure and industrial sectors, the Company expects the LCV and M&HCV segment to register a high growth rate. This would have a very positive impact on the Company's growth.

The Company is poised to grow through new businesses won in Passenger Car segment and Hydraulics. After Market and Exports will continue to be a focus area to offset the uncertainty of the domestic OE business.

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

- ✓ Expanding the die-casting portfolio to Europe and identifying new domestic customers
- ✓ Become a significant player in Hydraulics
- ✓ Pursue new customers for Steering Gears and achieve breakthrough in ball joints in the exports segment
- ✓ Expanding the After Market product range beyond its current product portfolio

Opportunities & Threats

As part of its annual Strategic Business Plans 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 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.

- ✓ Dumping from neighbouring countries.
- ✓ Weak economic expansion in the developed countries.

Internal Control Systems

The Company has put in place 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 annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures (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. Also, the Company, as part of its journey on continuous improvement, 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 year 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 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

The Company continued to focus on aligning the people development processes to the strategic initiatives of the group and creating institutional mechanisms to fulfil the employer brand promise.

People Processes and Policies

Major policy initiatives during the year include introduction of performance pay for senior management to strengthen the high performance culture, created internal job posting portal to facilitate employees' access to opportunities across the group, and guidelines on social media presence for employees.

Leadership Development

In continuation with our efforts towards building leadership pipeline, Leadership Boot Camp and Executive Leadership Development programs were launched and the implementation of High Potential Leadership Development program was further strengthened, which was rolled-out in the previous year.

Leadership Boot Camp – Graduate Engineer Trainee (GET) Connect

It is a key block of our leadership framework that extensively focuses on strengthening the entry level talent for swift assimilation and performance. The objectives of the GET Connect program are to provide GETs with a holistic view of Rane, build necessary skills to be effective on the job and establish valuable connections with peers, recent graduates and experienced professionals across the group. During the year, 13 trainees were part of this program.

Executive Leadership Development (ELD)

ELD focuses on furthering leadership development for functional / operational leadership. ELD is designed to enhance readiness of leaders for larger roles & responsibilities, handling multiple functions, job rotations to other businesses. During the year, 4 executives participated in this program. The outcome envisaged is a significant group wide enhancement of leadership capacity and capability that translates into winning teams and performances.

The Company signed a long term settlement with the employees union during the year. The industrial relations were generally cordial in all the plants.

Corporate Social responsibility (CSR)

During the heavy rains in Tamilnadu, the Company played a very active role in providing relief materials to areas which were very badly affected and not accessible in Chennai and Cuddalore. The items distributed included, drinking water, food packets, medicines, bedsheets, mosquito repellents and clothes. More than 2000 people benefited from this relief work.

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 31 March 2016

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
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 1 April 2015 to 31 March 2016** ("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 our verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after 31 March 2016 but before the issue of this report and the information/ explanations/ representations provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

1. We hereby report that:

- 1.1. In our opinion, during the audit period covering the **financial year ended on 31 March 2016**, the Company has complied with the statutory provisions listed hereunder and also has proper 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.
- 1.2. 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, 1992 (upto 14 May 2015);
 - (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable from 15 May 2015);
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) 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
 - (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from 1 December 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 Foreign Direct Investment, 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 (applicable from 1 July 2015).

1.3. During the period under review, and also considering the compliance related action taken by the Company after 31 March 2016 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 paragraph 1.2 (i) to (vi) above; and
- (ii) Generally complied with FEMA and the applicable Secretarial Standards mentioned under paragraph 1.2(vii) and (viii) above.

1.4. 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) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;
 - (b) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (e) 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 paragraph 1.2 above did not arise.

2. 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. There was no change in Board of Directors during the year.

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:

- (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.

Upto 30 June 2015 there was no statutory requirement to send the agenda and notes atleast seven days before the meeting. In respect of meetings held after 1 July 2015, consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

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 before 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 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; and

3.2 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
20 May 2016

Annexure – A to Secretarial Audit Report of even date

To
The Members
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 31 March 2016 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 31 March 2016 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
20 May 2016

Annexure D to the Report of the Board of Directors

Annual Report on CSR activities

(for financial year 2015-16)

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

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

CSR vision of Rane (Madras) Limited (RML) 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.

RML's belief in good citizenship drives 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, approved and adopted by the Board of Directors, is available on the website of the Company (web link: <http://www.rane.co.in/pdf/policies/rmlcsr.pdf>)

Overview of projects implemented during 2015-16

- ✓ Contributed fund towards Rane Foundation for the promotion of education.
- ✓ Educational support for poor and orphanage children
- ✓ Infra Structure development such as Library & Sanitation
- ✓ Focus on environment through various plantation drives and programmes.
- ✓ Relief provided to flood affected victims in Chennai and Cuddalore.

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 the Company 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 Kailasm & 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	2012-13	2013-14	2014-15
Net profit for the year (PAT)	23.42	16.78	12.44
Adjusted Net profit (as per section 198)	30.47	29.74	20.49
Average Net profit		26.90	

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹ 0.54 Crores**5. Details of CSR spent during the financial year.**

- a) Total amount to be spent for the financial year: ₹ 0.54 Crores
b) Total amount spent for the financial year: ₹ 0.57 Crores
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 activity is covered	Project or programs location 1. Local area or other 2. District (State)	Budget (in ₹)	Amount Spent-Subheads Direct (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent: (in ₹) Directly or through an implementing agency
					Overheads (in ₹)		
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)	44,50,000	43,04,000	43,04,000	Direct - 43,04,000
2		Providing end to end financial support to strengthen the education among orphanage children and to guide them in their academics & providing moral support	1. Other 2. Mysuru (Karnataka)	1,00,000	1,00,000	44,04,000	Implementing Agency - Jana Jagruthi Rural Development society, #29, 11th Cross, 1st Main Road, BM Shree Nagar, Metagalli, Mysuru 570 016 (Registered Trust) - 1,00,000
3		Developing infrastructure with library to support learning skills of students in near by village schools	1. Other 2. Varanasi (Kancheepuram)	1,40,000	1,42,032	45,46,032	Direct - 1,42,032
4		Construction of sanitation facilities in primary school	1. Other 2. Rudrapur (Uttarakhand)	70,000	70,000	46,16,032	Direct - 70,000
5		Providing sanitation facilities in schools	1. Other 2. Medak (Hyderabad)	60,000	60,000	46,76,032	Direct - 60,000

Sl. No.	CSR Activity	Sector in which activity is covered	Project or programs location 1. Local area or other 2. District (State)	Budget (in ₹)	Amount Spent-Subheads Direct (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent: (in ₹) Directly or through an implementing agency
					Overheads (in ₹)		
6	Health care - Nutrition Programs	Improving the nutritional status of children at Koorgalli Higher Primary Govt. School which encourages poor children, belonging to underprivileged section, to attend school more regularly and help them concentrate on class room activities.	1. Other 2. Mysuru (Karnataka)	2,00,000	2,00,000	48,76,032	Implementing Agency - The Akshaya Patra Foundation, #31, 18th Cross, Jayanagar, Mysuru - 570 014 (Registered Trust) - 2,00,000
7		To increase the longevity of the HIV affected kids, we provide them with Protein suppliments that would help to increase their immunity	1. Other 2. Medak (Hyderabad)	1,75,000	1,77,725	50,53,757	Direct - 1,77,725
8	Environment	Plantation of saplings in Government High School and tree plantation at Bengaluru - Mysuru Main Road	1. Other 2. Mysuru (Karnataka)	65,000	65,000	51,18,757	Implementing Agency - ODP (Organizaion for the Development of People) - Registered Trust - 65,000
9		Green Wicket Programme - program on "Solid Waste Management at School" and "Eco-friendly celebration of Ganesha and Deepavali"	1. Other 2. Mysuru (Karnataka)		-		
10		To educate the students on hygiene factor, to keep a clean environment & reponsiveness towards Swachh Bharat Abhyaan	1. Other 2. Mysuru (Karnataka)	40,000	40,000	51,58,757	Direct - 40,000
11		To create awareness programme on environmental sustainability for School students & community, clean the school premises and plantation of trees. Providing free tree saplings	1. Other 2. Thirubhuvanai (Pondicherry)		1,00,000		
					-	52,58,757	Direct - 1,00,000

Sl. No.	CSR Activity	Sector in which activity is covered	Project or programs location 1. Local area or other 2. District (State)	Budget (in ₹)	Amount Spent-Subheads Direct (in ₹)	Cumulative expenditure upto the reporting period (in ₹)	Amount spent: (in ₹) Directly or through an implementing agency
					Overheads (in ₹)		
12	Community Development - Flood Relief	Medical aid, promoting health care, preventive health care, food supply, eradicating hunger, poverty, malnutrition, supply of clean water, sanitation, making available safe drinking water	1. Local 2. Chennai (Tamil Nadu)	-	4,61,224	57,19,981	Direct - 2,88,630 Direct - 56,000
			1. Other 2. Villupuram (Tamil Nadu)		-		Implementing Agency - Rama Krishna Mission Boys, Home, Chennai - 1,16,594
	Total		1. Local 2. Chennai	54,00,000	57,19,981	57,19,981	

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

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
20 May 2016

S Parthasarathy
Chief Executive Officer

L Lakshman
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 and compressors
- ❖ Use of LED lighting for office and street lights
- ❖ Energy saving through air leak arresting
- ❖ Switching off of compressors during unwanted period

Utilising alternate sources of energy

- ❖ Installation of 30 solar street lights for peripheral area, saving around 6250 Units p.a. for all plants
- ❖ Mysuru bio gas plant saved 235 LPG gas cylinders resulting in a savings of ₹ 3 Lakhs per annum
- ❖ Solar water heaters for washing machines and canteens installed due to which 64,800 units saved involving total savings of ₹ 4 Lakhs
- ❖ Electricity consumption through Windmill, which is 31,48,000 units in Mysuru and Varanasi resulting in cost saving of ₹ 0.40 / Unit amounting to ₹ 13 lakhs

During the year 2015-16, the Capital investment in energy conservation equipment is about ₹ 0.40 Crores

B. RESEARCH AND DEVELOPMENT (R & D)

Efforts towards technology absorption

- ❖ Concept design evaluation of "Fail Safe" ball joint for commercial vehicle application
- ❖ Development of "Anti rotational clamp" for commercial vehicle linkages
- ❖ Concept design of hybrid rack in Rack & Pinion steering gears
- ❖ Creation of test facility for Hydraulic cylinders under variable environment conditions in Test lab.
- ❖ Intermediate shaft EPS configuration proposal for Material handling vehicle (Tow-truck) conceptualized and developed indigenously

- ❖ Development of E-lift cylinders for farm tractor application
- ❖ Benchmarking and concept design of cab tilt cylinders
- ❖ Concept design of cylinders for non-automotive application – Especially for Agriculture implements like Lift cylinders, Rice plant cylinders etc.,
- ❖ Development of low steering effort steering gears for Small commercial vehicles

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

- ❖ Failure mitigation of Ball pin detachment from steering linkages – Enhanced safety
- ❖ Ease of service during toe in toe out setting
- ❖ Likely to open business opportunities for Electric Power Steering in different variants of material handling vehicle
- ❖ Established dedicated "Proto-shop" for Rack & Pinion steering gear to reduce lead time in new product development.
- ❖ Development of new products and retaining / increasing business share
- ❖ Enhancing product portfolio

Details of Imported Technology

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

Research and Development expenditure incurred

(₹ in Crores)			
	Particulars	2015-16	2014-15
A	Capital expenditure	0.97	6.08
B	Recurring expenditure	6.96	6.30
C	Total	7.93	12.38
D	Total R & D expenses as a percentage of total turnover	0.96%	1.64%

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

- ❖ Electric Power Steering for material handling vehicles
- ❖ Tribology, alternate materials, light weighting, hydraulics
- ❖ 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
- ❖ Nomination for export “Auxiliary cylinders” for global customers like Daimler, Volvo commercial

vehicles

Future plan of action

- ❖ Pursue in power /motor control /automotive electronics space
- ❖ Development of EPS for other off-road vehicle segments
- ❖ Low friction energy efficient hydraulic cylinders
- ❖ Product design using “automated design optimization software” – Topology optimization
- ❖ Fatigue life estimation using CAE analysis
- ❖ Support manufacturing by carry out CAE simulation of Ball joint peening, Linkage crimping processes for product optimization
- ❖ Hydraulics control elements (actuators / valves) for off-road vehicles / material hauling equipment / Product differentiation

C. Foreign Exchange Earnings and Outgo

(₹ in Crores)		
	2015-16	2014-15
Foreign Exchange		
Earnings	182.11	166.45
Outgo	71.52	55.62

For and on behalf of the Board

Chennai
20 May 2016**Harish Lakshman**
Director**L Ganesh**
Chairman

Annexure F to the Report of the Board of Directors**Particulars of Directors, Key Managerial Personnel and Employees for the Year 2015-16****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 2015-16 (in ₹ Cr.)	% increase/ (decrease) of remuneration FY 2015-16	% increase/ (decrease) in PBT for FY 2015-16	Ratio of remuneration to median remuneration of employees
Mr. L Ganesh	Non-Executive Chairman	0.45	165%	11%	N.A
Key Managerial Personnel					
Mr. S Parthasarthy	Chief Executive Officer (CEO)	1.14	12%	11%	N.A
Ms. J Radha	Chief Financial Officer (CFO)	0.37	-	11%	N.A
Ms. S Subha Shree	Secretary (iii)	0.16	33%	11%	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 with effect from June 04, 2015.
- (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 2015-16 is ₹ 3.79 lakhs.

Increase in median remuneration during the year is 11%.

3. Number of permanent employees on the rolls of the Company as on March 31, 2016 was 1040 as against 1018 as on March 31, 2015.**4. Relationship between average increase/decrease in remuneration and Company performance:**

During the year 2015-16, sales grew by 10% and the Profit Before Tax (PBT) increased by 11%. The average increase in remuneration was 11% in line with the industry standards.

5. Comparison of remuneration of the Key Managerial Personnel(s) (KMP) against the performance of the Company:

The total remuneration of Key Managerial Personnel increased by 14% in 2015-16. The performance of the Company is furnished in 4 above.

6. 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: 14%. The increase in remuneration is in line with the present industry standards.

7. Ratio of remuneration of the highest paid director to that of employees who are not Directors but receive remuneration in excess of highest paid director during the year:

Not applicable. No remuneration is paid to Directors except sitting fees for attending meetings of the Board / Committee(s) thereof and commission to Chairman (Non-Executive). Hence, not comparable with the remuneration paid to the employees.

8. Key parameters for any variable component of remuneration availed by the Directors

There are no key variable components in the remuneration paid to the Non-Executive Directors except in the case of Chairman (Non-Executive) who is entitled to receive commission on the profits as per the approval of shareholders and decided by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee.

9. (i) Variation in market capitalisation and price earnings ratio:

	March 31, 2016	March 31, 2015	% change
Market capitalisation of the Company (₹ in Crores) (based on closing prices quoted on BSE)	315.32	341.81	(8%)
Price earnings ratio (based on closing prices quoted on BSE)	23.49	29.04	-

(ii) Percent increase over/decrease in the market quotations of shares of the Company as compared to the rate at which company came out with last public offer:

Not applicable since the Company has not made any public offer and the last issued equity share capital represents shares allotted to the shareholders of demerged company on account of Scheme of arrangement under Section 391-394 of the Companies Act, 1956, as sanctioned by the Hon'ble High Court of Judicature at Madras vide its order dated April 25, 2005.

10. 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. Employed throughout the financial year with remuneration not less than ₹ 60 Lakhs per annum.

Name	Designation	Remune-ration (In ₹ cr)	Qualifications	Age (years)	Experience (in years)	Date of Joining	Nature of employment (Permanent/contractual)	Previous employment & designation	No. of shares held in Company	Relationship with any Director / Manager
Mr. S Parthasarathy	Chief Executive Officer	1.14	B.E, MBA (OUBS)	57	34	05.04.2000	Permanent	General Manger- Marketing (Rane TRW Steering Systems Private Ltd.)	NIL	NIL
Ms. Gowri Kailasam	President	0.77	B. Tech, MS., MBA	49	26	18.08.2003	Permanent	Engineering & Business Planning Manager	NIL	NIL
Mr. D Sundar	President	0.69	B.E.Mechanical	55	36	31.08.1994	Permanent	Ford Motor Company (UK) Deputy Manager (PPC and Sales), Dev Fastners Ltd	NIL	NIL

ii. Employed for part the financial year with remuneration not less than ₹ 5 Lakhs per month: 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

Composition, Attendance and Meetings

As of March 31, 2016, the Board of the Company consists of six (6) Non-Executive Directors with 50%

being Independent Directors. The composition of the Independent Directors is in conformity with the Uniform Listing Agreement entered into with stock exchanges. 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 director 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 six (6) times during the financial year on May 21, 2015, July 31, 2015, October 20, 2015, December 28, 2015, January 25, 2016 and March 21, 2016. The names and categories of the Directors on the Board, their attendance at Board meetings and Annual General Meeting held during the year and the number of Directorships in other public companies and committee chairmanships / memberships held by them in all listed companies are given below:

Name of the Director (DIN)	Category	No. of Board meetings attended	Whether attended last AGM	Number of Directorship in other Public companies #		Number of Committees @	
				Chairman	Member	Chairman	Member
Mr. L Ganesh (00012583)	Non-Executive Chairman & Promoter	6	Yes	3	8	1	7
Mr. L Lakshman (00012554)	Non-Executive & Promoter	6	Yes	1	6	1	5
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	6	Yes	-	6	2	3
Mr. M Lakshminarayan (00064750)	Non-Executive & Independent	4	Yes	1	6	1	4
Dr. Tridibesh Mukherjee (00004777)	Non-Executive & Independent	6	Yes	-	5	-	3
Ms. Anita Ramachandran (00118188)	Non-Executive & Independent	5	Yes	-	10	-	1

Excludes Companies exempted Section 165 of the Companies Act, 2013 and foreign companies.

@ Membership in Audit Committee and Stakeholder Relationship Committee of all listed companies only is considered as per Regulation 26 of SEBI LODR.

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 detail in the Directors Report.

The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company <http://rane.co.in/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 five (5) times during the year May 21, 2015, July 31, 2015, October 20, 2015, January 25, 2016 and March 21, 2016. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. M Lakshminarayan	Chairman – Independent Director	4
Mr. L Lakshman	Member – Non-Executive Director	5
Dr. Tridibesh Mukherjee	Member – Independent Director	5
Ms. Anita Ramachandran*	Member – Independent Director	1

* Co-opted as the Chairperson of Audit Committee exclusively for the meeting held on October 20, 2015.

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 approves payments to statutory auditors for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of listing agreement / 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 in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met three (3) times during the year May 21, 2015, July 31, 2015 and January 25, 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	3
Mr. L Lakshman	Member, Non-Executive & Promoter	3
Mr. L Ganesh	Member, Non-Executive & Promoter	3
Ms. Anita Ramachandran	Member, Non-Executive & Independent	2

The NRC considered inter alia, the recommendation of appointment of Chief Executive Officer (CEO), appointment of Chief Financial Officer (CFO), payment of commission to L Ganesh, Chairman, annual performance evaluation of Directors and policy on leadership development and succession management and also policy on performance pay for senior management in accordance with the remuneration policy of the Company and its terms of reference.

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 SMP.

The NRC members perused the candidature Chief Executive Officer (CEO) who would be reporting to the Board of Directors, and the candidature of a new Chief Financial Officer (CFO) for the Company, who would be reporting to the Chief Executive Officer (CEO) and the Board of Directors, and after satisfying themselves of their qualifications, experience and expertise, recommended their respective appointments to the Board of Directors. NRC laid down the criteria for evaluation of performance of the Board, its committees and Directors. In order to align employees with the organizational vision and growth strategies and motivate them to achieve business results, the NRC considered a policy on performance pay laying down the applicability, standards, parameters, methodology and governing rules and approved the policy on leadership development and succession management that focuses on leadership development architecture, leadership assessment across various levels, development plans / programs, human resource systems and processes.

Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available as 'Annexure B' to the report of the Board of Directors.

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 Company has paid sitting fees apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2016 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)
Mr. L Ganesh	2,20,000	45,00,000
Mr. L Lakshman	3,47,500	-
Mr. Harish Lakshman	1,87,500	-
Mr. M Lakshminarayan	2,50,000	-
Dr. Tridibesh Mukherjee	3,10,000	-
Ms. Anita Ramachandran	2,00,000	-

Name of the Director	Shares held as on 31 March 2016@
Mr. L Ganesh	-
Mr. L Lakshman	-
Mr. Harish Lakshman	750
Mr. M Lakshminarayan	-
Dr. Tridibesh Mukherjee	-
Ms. Anita Ramachandran	-

@ Excludes joint holdings, if any.

Note:

1. No other remuneration was paid to Non-Executive Directors except sitting fees (other than Chairman).
2. Commission paid to Mr. L Ganesh, Chairman for the year 2015-16 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 Stakeholders' 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 Committee

met once during the year on March 21, 2016. The details of members and their attendance are stated below:

Name of the Director	Category	No of meetings attended
Mr. L Lakshman	Chairman, Non-Executive & Promoter	1
Mr. Harish Lakshman	Member, Non-Executive & Promoter	1
Dr. Tridibesh Mukherjee	Member, Non-Executive & Independent	1

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

	Nature of Complaint	Received during the year	Resolved	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	Related to Statutory records	2	2	-
Through Registrar & Transfer Agent	-	-	-	-
Directly to Company	Related to Statutory records	2	2	-

No complaint was received under the SEBI Complaints Redress System (SCORES). There are no investor complaints pending unresolved at the end of the financial year 2015-16.

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 CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee. The composition of the Committee is as follows:

Name of the Director	Category
Mr. L Lakshman	Chairman, Non- Executive & Promoter
Mr. L Ganesh	Member, Non- Executive & Promoter
Ms. Anita Ramachandran	Member, Non- Executive & Independent

The CSR Committee meeting held on May 21, 2015 was attended by all the Committee members. The Company Secretary acts as the Secretary to the Committee. 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

The report on CSR projects undertaken during the financial year 2015-16 as approved by the CSR Committee in consultation with the Board is annexed to Director's Report 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 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 two (2) times on July 01, 2015, and October 12, 2015.

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Member	2
Mr. L Lakshman	Member	1
Mr. Harish Lakshman	Member	1

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 three (3) times on July 01, 2015, August 21, 2015, and September 15, 2015. No sitting fees is payable to the committee members.

Name of the Director	Category	No. of meetings attended
Mr. L Ganesh	Member	3
Mr. L Lakshman	Member	1
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://rane.co.in/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 (CEO) 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.rane.co.in/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 31, 2015 (11th 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, 2014 (10th AGM)	Approval of borrowing powers u/s 180 of the Companies Act, 2013	10.15 a.m.	
July 18, 2013 (9th AGM)	No special resolution was passed.	10.15 a.m.	

During the year 2015-16, no resolutions were passed through postal ballot.

10. Disclosures

- During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives or subsidiaries etc., 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 27 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://rane.co.in/pdf/policies/rmlrpt.pdf>
- There was no instance of non compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
- There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
- The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to

ensure that the critical risks are controlled by the executive management.

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 results 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 does not have any material listed / material unlisted subsidiary companies as defined under SEBI LODR.
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 of 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 in the Company's website URL: <http://rane.co.in/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.rane.co.in. During the year, a presentation was made to analysts / institutional investors and was published in 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 in this Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR

Name of the Director	Mr. L Lakshman
Director Identification Number (DIN)	00012554
Father's Name	Mr. L L Narayan
Date of Birth	July 17, 1946
Educational Qualifications	B.E, Executive MBA from London Business School
Experience	Mr. L Lakshman has been spearheading the business of different companies in Rane Group and has more than 46 years of industrial experience.
Date of Appointment	March 31, 2004
Relationship with other Directors	Brother of Mr. L Ganesh and father of Mr. Harish Lakshman
Directorships in listed entities	Executive Chairman & Managing Director Rane Holdings Limited Director Rane (Madras) Limited Rane Brake Lining Limited Rane Engine Valve Limited SRF Limited
Committee Memberships in listed entities	Member – Audit Committee Rane Engine Valve Limited Rane (Madras) Limited SRF Limited Chairman – Stakeholders Relationship Committee Rane (Madras) Limited Member – Nomination and Remuneration Committee Rane (Madras) Limited Rane Engine Valve Limited Chairman – Corporate Social Responsibility Committee Rane (Madras) Limited Rane Engine Valve Limited Rane Brake Lining Limited Rane Holdings Limited
Number of equity shares held	NIL

- ii. **Annual General Meeting** **July 22, 2016 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, 2016	May 20, 2016
Un-audited results for the 1st quarter ending June 30, 2016	By last week of July 2016
Un-audited results for the 2nd quarter ending September 30, 2016	By last week of October 2016
Un-audited results for the 3rd quarter ending December 31, 2016	By last week of January 2017
Annual Accounts for the year ending March 31, 2017	By last week of May 2017

iv. Dividend

During the year 2015-16, the Board of Directors declared an interim dividend of 45% (i.e., ₹ 4.50 per share) on the equity share capital on March 10, 2016. The interim dividend was paid on March 23, 2016 to all the eligible shareholders whose name appeared in the register of members of the Company as on March 18, 2016 (being the Record Date) fixed for this purpose.

The Board of Directors did not recommend any final dividend.

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 2016 – 17 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 was not liable to transfer any unclaimed dividend amount to IEPF.

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 given below:

Year	Date of declaration	Dividend per share# (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2016) (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2010 *	18.01.2010	2.50	86,497.50	23.02.2017	25.03.2017
31.03.2010	19.07.2010	2.00	80,518.00	24.08.2017	23.09.2017
31.03.2011 *	21.01.2011	4.50	1,64,187.00	26.02.2018	28.03.2018
31.03.2011	19.07.2011	2.50	1,03,312.50	24.08.2018	23.09.2018
31.03.2012 *	27.01.2012	5.50	2,31,110.00	03.03.2019	02.04.2019
31.03.2012	11.07.2012	4.00	1,72,240.00	16.08.2019	15.09.2019
31.03.2013 *	23.01.2013	2.00	1,00,982.00	28.02.2020	29.03.2020
31.03.2013	18.07.2013	5.00	2,22,570.00	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	2,12,152.50	06.09.2022	06.10.2022

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 31, 2015 in accordance with the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012. The above details were also uploaded in the website of the Company viz. <http://rane.co.in>.

In respect of interim dividend declared by the Board of Directors on March 10, 2016, dividends remaining unpaid / unclaimed has been transferred to an unclaimed dividend account on April 15, 2016. The last date for claiming such amount in terms of Section 124 of the Companies Act 2013 is April 15, 2023.

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	75	13,966
Requests for transfer during the year	2	1,668
Transfers during the year	2	1,668
Balance at the end of the year	73	12,298

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

viii. Share Price Data

The share price data (based on closing price) as quoted on the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. during the last financial year viz., April 1, 2015 - March 31, 2016, is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)				Share Prices (₹)			
	High	Low	High	Low	High	Low	High	Low
April 2015	392.50	321.00	29044.44	27011.31	393.15	320.95	8834.00	8181.50
May 2015	367.90	301.60	27957.50	26599.11	355.85	307.50	8458.95	8057.30
June 2015	329.90	298.50	27895.97	26370.98	322.60	299.70	8433.40	7965.35
July 2015	367.50	322.00	28504.93	27459.23	363.95	324.60	8633.50	8328.55
August 2015	361.20	314.60	28298.13	25714.66	360.70	315.15	8588.65	7791.85
September 2015	312.50	289.20	26218.91	24893.81	307.55	291.85	7981.90	7558.80
October 2015	334.60	299.30	27470.81	26220.95	333.60	295.70	8295.45	7950.90
November 2015	343.70	304.20	26590.59	25482.52	349.20	308.45	8060.70	7731.80
December 2015	366.00	344.00	26169.41	25036.05	370.65	342.50	7954.90	7610.45
January 2016	357.90	295.00	26160.90	23962.21	354.00	292.70	7963.20	7276.80
February 2016	305.10	272.00	24824.83	22951.83	310.35	273.95	7555.95	6970.60
March 2016	311.90	292.30	25341.86	23779.35	310.00	293.10	7735.20	7222.30

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

ix. Registrar and Transfer Agents

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

Integrated Enterprises (India) Ltd.,

II Floor, 'Kences Towers', No.1, Ramakrishna Street,
North Usman Road, T. Nagar, Chennai - 600 017.

Phone: 28140801 - 03, Fax: 28142479, 28143378.

e-mail: corpserv@integratedindia.in

Name of the contact person:

Mr. K. Suresh Babu, Senior Vice President.

x. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and de-mat / re-mat requests in coordination with the RTA. Share transfers are approved within fifteen days from date of receipt of valid request. Transmission requests are also processed within time stipulated under SEBI LODR. On a half-yearly basis the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of clause 47(c) of the Listing Agreement / 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.

xi. Distribution of shareholding as on March 31, 2016

Distribution of shareholding as on March 31, 2016				
No. of shares held	Shareholders		Shares held	
	Number	% to total	Number	% to total
Upto 500	5,296	83.39	5,35,522	5.10
501 - 1,000	392	6.17	3,10,387	2.95
1,001 - 2,000	268	4.22	4,12,742	3.93
2,001 - 3,000	120	1.89	3,06,189	2.91
3,001 - 4,000	61	0.96	2,17,800	2.07
4,001 - 5,000	51	0.81	2,36,058	2.25
5,001 - 10,000	91	1.43	6,63,155	6.31
10,001 & above	72	1.13	78,28,796	74.48
Total	6,351	100.00	1,05,10,649	100.00

xii. 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, 2016, about 98.80% 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, 2016	As on March 31, 2015	As on March 31, 2016	As on March 31, 2015
Physical	1,26,253	1,79,019	1.20	1.70
Demat	1,03,84,396	1,03,31,630	98.80	98.30
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 not issued any equity share with differential voting rights nor granted stock options nor sweat equity.

xiii. Plant locations - given in the page no. 5 of the Annual Report

xiv. 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@rane.co.in

OR

Mr. Suresh Babu K
Senior Vice President
Integrated Enterprises (India) Ltd.,
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, 2016.

Chennai
20 May 2016

S Parthasarathy
Chief Executive Officer

Independent Auditors' Compliance Certificate

To
The Members
Rane (Madras) Limited

1. We have examined the compliance of conditions of Corporate Governance by Rane (Madras) Limited ("the Company"), for the year ended March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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)

Chennai
20 May 2016

Geetha Suryanarayanan
Partner
(Membership No. 29519)

Annexure H to the Report of the Board of Directors

Extract of Annual Return – MGT 9

as on the financial year ended March 31, 2016

[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 : 31/03/2004
- (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@rane.co.in
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : **Integrated Enterprises (India) Ltd.,**
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,
Senior Vice President

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:-

S.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	40.03%
2	Steering gear products	29301	42.98%
3	Other articles of aluminium	2432	10.62%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S. 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, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual/ HUF	83,841	-	83,841	0.80	88,573	-	88,573	0.84	0.04
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	59,16,272	-	59,16,272	56.29	59,18,156	-	59,18,156	56.31	0.02
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	60,00,113		60,00,113	57.09	60,06,729		60,06,729	57.15	0.06
(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 Shareholding (A) = (A)(1)+ (A)(2)	60,73,173	-	60,73,173	57.78	60,79,789	-	60,79,789	57.84	0.06
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	40,226	-	40,226	0.38	40,226	-	40,226	0.38	-
b) Banks / FI	-	100	100	-	-	50	50	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	40,226	100	40,326	0.38	40,226	50	40,276	0.38	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5,02,489	37	5,02,526	4.78	4,70,826	37	4,70,863	4.48	-0.30
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	23,05,195	1,45,138	24,50,333	23.31	22,95,590	1,26,166	24,21,756	23.04	-0.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10,60,251	33,744	10,93,995	10.41	12,23,675	-	12,23,675	11.64	1.23

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians	56,090	-	56,090	0.53	73,831	-	73,831	0.70	0.17
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	28,078	-	28,078	0.27	18,036	-	18,036	0.17	-0.10
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Limited Liability Partnership	2,52,162	-	2,52,162	2.40	1,70,125	-	1,70,125	1.62	-0.78
Rane (Madras) Limited - Unclaimed Shares Suspense Account	13,966	-	13,966	0.13	12,298	-	12,298	0.12	-0.01
Sub-total (B)(2):-	42,18,231	1,78,919	43,97,150	41.84	42,64,381	1,26,203	43,90,584	41.77	-0.06
Total Public Shareholding (B)=(B)(1)+ (B)(2)	42,58,457	1,79,019	44,37,476	42.22	43,04,607	1,26,253	44,30,860	42.16	-0.06
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,03,31,630	1,79,019	1,05,10,649	100.00	1,03,84,396	1,26,253	1,05,10,649	100.00	-

(ii) Shareholding of Promoters:

S No	Shareholder's Name	At the beginning of the year (As on April 1, 2015)			At the end of the year (As on March 31, 2016)			% 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	59,16,272	56.29	-	59,18,156	56.30	-	0.01
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	-	-
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	0.05	-	0.05
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	-	-

S No	Shareholder's Name	At the beginning of the year (As on April 1, 2015)			At the end of the year (As on March 31, 2016)			% 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	
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	60,73,173	57.78	-	60,79,789	57.84	-	0.06

(iii) Change in Promoters' Shareholding (please specify, if there is no change):

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				
Rane Holdings Limited	59,16,272	56.29	59,16,272	56.29
Pushpa Lakshman	-	-	-	-
Other promoters	1,56,901	1.49	1,56,901	1.49
Total	60,73,173	57.78	60,73,173	57.78
Change in promoter holding				
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase /decrease:				
Rane Holdings Limited				
Purchase from open market on				
02-03- 2016	1,644	0.02	59,17,916	56.31
03-03-2016	240	0.00	59,18,156	56.31
Pushpa Lakshman				
Acquisition thru transmission on 27-01-2016	4,732	0.05	4,732	0.05
Other promoters	-	-	-	-
At the end of the year				
Rane Holdings Limited	59,18,156	56.31	59,18,156	56.31
Pushpa Lakshman	4,732	0.05	4,732	0.05
Other promoters	1,56,901	1.49	1,56,901	1.49
Total	60,79,789	57.85	60,79,789	57.85

(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	Aadi Financial Advisors LLP	1,88,622	1.80	31-03-2016	(62,874)	(0.60)	Transfer	1,25,748	1.20
2	Kumari Investment Corporation Private Limited	1,46,750	1.40	-	-	-	-	1,46,750	1.40
3	Sangeeta Jain	1,07,726	1.03	01-01-2016	(1,07,726)	(1.03)	Transfer	0	0.00
4	Aravind Baburao Joshi	75,855	0.72	-	-	-	-	75,855	0.72

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
5	Systematix Fincorp India Limited	75,523	0.72	-	-	-	-	75,523	0.72
6	Bhuvaneshwari Arun	50,000	0.48	16-10-2015	(50,000)	(0.48)	Transfer	0	0.00
7	HDFC Trustee Company Ltd A/C-HDFC Children's	40,226	0.38	-	-	-	-	40,226	0.38
8	Zaki Abbas Nasser	40,000	0.38	29-05-2015	(10,000)	(0.10)	Transfer	30,000	0.29
				21-08-2015	10,000	0.10	Purchase	40,000	0.38
9	Rajeswari V	35,000	0.33	24-04-2015	(1,000)	(0.01)	Transfer	34,000	0.32
				08-05-2015	(100)	0.00	Transfer	33,900	0.32
10	Saraswati Mani	33,744	0.32	31-03-2016	(33,744)	(0.32)	Transfer	0	0.00
11	Panav Advisors LLP	31,544	0.30	31-12-2015	(3,521)	(0.03)	Transfer	28,023	0.27
				01-01-2016	(4,050)	(0.04)	Transfer	23,973	0.23
				08-01-2016	(3,596)	(0.03)	Transfer	20,337	0.19
12	Hetal Kothari	29,356	0.28	25-03-2016	2,900	0.03	Purchase	32,256	0.31
13	Radheshyam Natraj	27,861	0.27	04-12-2015	(6,337)	(0.06)	Transfer	21,524	0.21
14	Radheshyam Ramniwas Agarwal	27,500	0.26	26-02-2016	(27,500)	0.26	Transfer	0	0.00
15	Palaniappan	27,061	0.26	-	-	-	-	27,061	0.26
16	Ashwin Radheshyam Agarwal	21,384	0.20	04-12-2015	6,519	0.06	Transfer	27,093	0.27
17	Kalawati Radheshyam Agarwal	20,816	0.19	28-08-2015	27,500	0.26	Purchase	47,686	0.45
				04-12-2015	(6,701)	(0.06)	Transfer	40,985	0.39
18	Ashok Kumar Jain	15,451	0.15	11-12-2015	1,869	0.02	Purchase	17,320	0.17
				25-12-2015	3,518	0.03	Purchase	20,838	0.20
				31-12-2015	5,365	0.05	Purchase	26,203	0.25
				08-01-2016	7,059	0.07	Purchase	33,262	0.32
				15-01-2016	34	0.00	Purchase	33,296	0.32
				22-01-2016	187	0.00	Purchase	33,483	0.32
				29-01-2016	649	0.01	Purchase	34,132	0.33
				05-02-2016	3,348	0.03	Purchase	37,480	0.36
				26-02-2016	201	0.00	Purchase	37,681	0.36
19	Impetus Infotech (India) Private Limited	10,937	0.10	24-04-2015	3,004	0.03	Purchase	13,941	0.13
				05-06-2015	3,592	0.03	Purchase	17,533	0.17
				12-06-2015	2,000	0.02	Purchase	19,533	0.19
				26-06-2015	4,000	0.04	Purchase	23,533	0.22
				17-07-2015	(3,082)	(0.03)	Transfer	20,451	0.20
				30-09-2015	8,375	0.08	Purchase	28,826	0.27
				31-12-2015	7,364	0.07	Purchase	36,190	0.34
				31-03-2016	236	0.00	Purchase	36,426	0.35
20	Vallabh Bhanshali	0	0.00	31-03-2016	62,874	0.60	Purchase	62,874	0.60
21	Gautam Jain	1,07,726	1.03	31-03-2016	-	-	-	1,07,726	1.03
22	Arun Subrahmanyam	25,000	0.24	30-10-2015	(20,000)	(0.19)	Transfer	5,000	0.05
				06-11-2015	25,000	0.24	Purchase	30,000	0.29
				11-12-2015	25,000	0.24	Purchase	55,000	0.52
				12-02-2016	(5,000)	(0.05)	Transfer	50,000	0.48

(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				
Meenakshi Ganesh & L Ganesh	839	0.01	839	0.01
Harish Lakshman	750	0.01	750	0.01
Total	1,589	0.02	1,589	0.02
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				
Meenakshi Ganesh & L Ganesh	839	0.01	839	0.01
Harish Lakshman	750	0.01	750	0.01
Total	1,589	0.02	1,589	0.02

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	92.59	109.02	2.14	4.62	208.37
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	1.25	-	-	-	1.25
Total (i+ii+iii)	93.84	109.02	2.14	4.62	209.62
Change in Indebtedness during the financial year					
Addition	73.83	-	4.41	-	78.24
Reduction	-	(4.17)	-	(3.39)	(7.56)
Net Change	73.83	(4.17)	4.41	(3.39)	70.68
Indebtedness at the end 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

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

S.No	Particulars of Remuneration	Name of Directors			
1	Independent Directors	Mr. M Lakshminarayan	Dr. Tridibesh Mukherjee	Ms. Anita Ramachandran	Total
(a)	Fee for attending Board / committee meetings	0.03	0.03	0.02	0.08
(b)	Commission	-	-	-	-
(c)	Others, please specify	-	-	-	-
Total (B1)		0.03	0.03	0.02	0.08
2	Other Non- Executive Directors	Mr. L Ganesh	Mr. L Lakshman	Mr. Harish Lakshman	Total
(a)	Fee for attending Board / committee meetings	0.02	0.03	0.02	0.07
(b)	Commission	0.45	-	-	0.45
(c)	Others, please specify	-	-	-	-
Total (B2)		0.47	0.03	0.02	0.52
Total B = (B1)+(B2)		0.60			
Overall ceiling as per Act (being 11% net profits calculated as per Section 198 of the Companies Act, 2013)					2.49

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

₹ in Crores

S.No	Particulars of Remuneration	Key Managerial Personnel			
		Ms. S Subha Shree CS*	Ms. J Radha CFO	Mr. S Parthasarathy CEO	Total
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.16	0.37	1.03	1.56
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	**	0.11	0.11
(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)		0.16	0.37	1.14	1.67

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

** Amount below the rounding off norm

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2016.

Independent Auditors' 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 31 March, 2016, 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, as applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on 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 and the Order under section 143 (11) of the Act.

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

We believe that the audit evidence we have obtained 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 31 March, 2016, 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, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The 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, as applicable.

- e) On the basis of the written representations received from the directors as on 31 March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in

its financial statements – Refer Note 28 to the financial statements.

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
20 May 2016

Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ 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 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 31 March, 2016, 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)

Chennai
20 May 2016

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Annexure “B” to the Independent Auditors’ Report

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

- | | |
|---|---|
| <p>(i) In respect of its fixed assets:</p> <p>(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.</p> <p>(b) Some of the fixed assets 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.</p> <p>(c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / conveyance 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.</p> <p>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.</p> <p>In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.</p> <p>(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.</p> <p>(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.</p> | <p>(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees, as applicable.</p> <p>(v) In respect of deposits amounting to ₹ 1.23 crores accepted in earlier years and which have not fallen due for payment and remain outstanding as at 31 March 2016 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. 4.7, 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.</p> <p>(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.</p> <p>(vii) According to the information and explanations given to us, in respect of statutory dues:</p> <p>(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.</p> <p>(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 31 March 2016 for a period of more than six months from the date they became payable.</p> |
|---|---|

- (c) Details of dues of Income-Tax, Sales Tax, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2016 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	1.20	1.06
Central Excise Act, 1944	Service Tax	Commissioner of Central Excise (Appeals)	2007-08 to 2013-14	0.69	0.64
Central Excise Act, 1944	Service Tax	Customs, Excise and Service Tax Appellate Tribunal	2002-03 to 2011-12	0.15	0.15
Maharashtra Value Added Tax Act, 2002	Sales Tax	Commissioner (Appeals)	2005-06 to 2006-07 & 2012-13	1.10	1.08
Karnataka Entry of Goods Act, 1979	Sales Tax	Commissioner (Appeals)	2005-06 to 2012-13	0.40	0.40
Central Sales Tax Act, 1956	Sales Tax	Assistant Commissioner	2009-10 to 2013-14	9.65	6.65
Jharkhand Value Added Tax Act, 2005	Sales Tax	Assistant Commissioner	2010-11	0.03	0.03
Central Sales Tax Act, 1956	Sales Tax	Deputy Commissioner	2013-14	1.14	0.99
Income Tax Act, 1961	Income Tax	Madras High Court	1996-97	0.07	0.07
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2008-09	7.52	6.52
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	2009-10	2.76	1.65
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	Supreme Court	1997-98	0.31	0.31

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks 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 CARO 2016 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.

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

- (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 CARO 2016 is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence

Chennai
20 May 2016

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Balance Sheet

as at 31 March 2016

₹ Crores

Particulars	Note	As at 31 March 2016	As at 31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	18.74	18.74
(b) Reserves and surplus	3	141.88	134.99
		160.62	153.73
(2) Non-current liabilities			
(a) Long-term borrowings	4	124.07	50.96
(b) Deferred tax liabilities (Net)	5	8.01	4.90
(c) Other Long term liabilities	6	0.14	0.26
(d) Long-term provisions	7	7.45	6.85
		139.67	62.97
(3) Current liabilities			
(a) Short-term borrowings	8	110.94	109.10
(b) Trade payables	9		
- total outstanding dues of Micro enterprises and small enterprises		11.42	13.92
- total outstanding dues of Creditors other than Micro enterprises		125.27	118.80
(c) Other current liabilities	10	62.04	66.84
(d) Short-term provisions	11	2.99	8.67
		312.66	317.33
TOTAL		612.95	534.03
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		301.48	234.97
(ii) Intangible assets		4.62	6.66
(iii) Capital work-in-progress		7.37	29.47
(b) Non - Current Investments	13	0.15	-
(c) Long-term loans and advances	14	29.84	29.49
		343.46	300.59
(2) Current assets			
(a) Inventories	15	93.35	86.31
(b) Trade receivables	16	121.80	114.67
(c) Cash and bank balances	17	2.78	3.16
(d) Short-term loans and advances	18	40.79	23.48
(e) Other current assets	19	10.77	5.82
		269.49	233.44
TOTAL		612.95	534.03

See accompanying notes forming part of the Financial Statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Statement of Profit and Loss

for the year ended 31 March 2016

₹ Crores

Particulars	Note	Year ended 31 March 2016	Year ended 31 March 2015
I. Revenue from operations (Gross)	20	945.04	852.66
Less: Excise Duty		84.13	73.78
Revenue from operations (Net)		860.91	778.88
II. Other Income	21	1.58	1.09
III. Total Revenue (I + II)		862.49	779.97
IV. Expenses :			
Cost of materials consumed	22	514.16	462.00
Changes in inventories of finished goods and work-in-progress	23	(7.41)	(5.37)
Employee benefit expenses	24	98.25	87.31
Finance costs	25	18.96	16.18
Depreciation and amortization expense	12	39.38	33.41
Other expenses	26	177.79	166.36
Total expenses		841.13	759.89
V. Profit before exceptional item and tax (III – IV)		21.36	20.08
VI. Exceptional items - termination benefit under Voluntary Retirement Scheme	33	2.70	3.24
VII. Profit before tax (V – VI)		18.66	16.84
VIII. Tax expense :			
Current tax		4.21	3.50
Deferred tax charge/(credit)	5	3.11	4.40
MAT credit availed		(2.75)	(3.50)
Net tax expense		4.57	4.40
IX. Profit for the year (VII – VIII)		14.09	12.44
X. Earnings per equity share (of ₹ 10 each)	30		
Basic (in ₹)		12.77	11.20
Diluted (in ₹)		12.77	11.20

See accompanying notes forming part of the Financial Statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

L Ganesh
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Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Cash Flow Statement

for the year ended 31 March 2016

₹ Crores

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax	18.66	16.84
<i>Adjustments for:</i>		
Depreciation and Amortisation Expense	39.38	33.41
(Profit)/Loss on sale of assets	0.14	0.09
Finance Costs	18.96	16.18
Interest Income on Bank Deposit	(0.32)	(0.28)
Provision for Doubtful Trade receivables and advances (Net of Write back)	0.32	0.62
Unrealised Exchange (Gain) / Loss	1.88	1.51
Operating Profit before Working Capital / Other Changes	79.02	68.37
<i>Adjustments for (increase)/decrease in operating assets:</i>		
Inventories	(7.05)	(6.43)
Long Term Loans and Advances	(2.96)	(1.07)
Trade Receivables	(7.14)	(8.77)
Short Term Loans and Advances	(4.05)	(4.71)
Loan to subsidiary	(13.55)	-
Other Current Assets	(5.09)	(2.57)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>		
Other Long Term Liabilities	(0.12)	0.16
Long Term Provisions	0.59	1.80
Trade Payables	4.08	23.30
Other Current Liabilities	(1.09)	1.69
Short Term Provisions	0.02	(0.28)
Cash Generated from Operations	42.66	71.49
Direct Taxes Paid (Net of Refund Received)	(5.77)	(4.40)
Net Cash Flow From Operations	36.89	67.09
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure	(75.31)	(85.40)
Proceeds from Sale of Fixed Assets	0.34	0.15
Interest Received on Bank Deposits	0.19	0.25
Investment in Subsidiary	(0.15)	-
Bank balances not considered as Cash & Cash Equivalents	0.31	(0.12)
Net Cash Flow Used in Investing Activities	(74.62)	(85.12)

₹ Crores

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-Term Borrowings	107.19	54.73
Repayment of Long-Term Borrowings	(35.05)	(29.01)
Proceeds from other Short-Term Borrowings	-	17.60
Repayment of other Short-Term Borrowings	(0.25)	-
Repayment of Fixed Deposits	(3.39)	(2.05)
Finance Costs	(18.66)	(15.99)
Dividend Paid	(10.02)	(6.34)
Tax on Dividend	(2.16)	(1.07)
Net Cash Flow from / (used) in Financing Activities	37.66	17.87
Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	(0.07)	(0.16)
Cash and Cash Equivalents at the Beginning of the Year	1.72	1.88
Cash and Cash Equivalents at the End of the Year (Refer Note 17)	1.65	1.72
	(0.07)	(0.16)

See accompanying notes forming part of the Financial Statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Notes forming part of the 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 manufacturing locations at Tamilnadu, Puducherry, 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as 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 tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

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 Fixed Assets (Tangible / Intangible)

Fixed 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 fixed 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 fixed asset 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 fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which tangible fixed assets 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 fixed 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 fixed 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 fixed 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.

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.

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

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 Fixed Assets.

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.

₹ Crores

Note : 2		As at 31 March 2016	As at 31 March 2015
Share Capital			
(i) Authorised			
2,50,00,000 Equity Shares of ₹ 10 each with voting rights (As at 31 March 2015- 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 2015 - 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 2015- 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 2015 - 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.)		5,918,156	5,916,272
- 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.)		10,510,649	10,510,649
Add: Shares issued during the year (Nos.)		-	-
Number of Equity Shares outstanding as at the end of the period (Nos.)		10,510,649	10,510,649
(v) Number of Cumulative redeemable Preference Shares outstanding as at the beginning of the period (Nos.)		8,232,164	8,232,164
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.)		8,232,164	8,232,164
(vi) Shares in the Company held by each shareholder holding more than 5 per cent shares			
- Rane Holdings Limited			
- Equity Shares (Nos.)		5,918,156	5,916,272
		56.31%	56.29%
- Cumulative redeemable Preference Shares (Nos.)		8,232,164	8,232,164
		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.

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 2016	As at 31 March 2015
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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	0.27	0.43
Less : Deductions	0.83	0.16
Balance as at the end of the year	(0.56)	0.27
General Reserve		
Balance as at the beginning of the year	119.98	59.52
Add : Additions	7.72	60.46
Balance as at the end of the year	127.70	119.98
Total	135.51	128.62

(ii) Surplus in statement of Profit and Loss

Balance as at the beginning of the year	6.37	61.39
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax)	-	0.63
Add:		
Profit for the year as per Statement of Profit and Loss	14.09	12.44
Less: Appropriations		
Interim Dividend on Equity Shares @ 45% (previous year -Nil)	4.73	-
Proposed Final Dividend on Equity Shares - Nil (previous year @ 45%)	-	4.73
Preference Dividend	0.56	0.56
Tax on dividends	1.08	1.08
Transfer to General Reserve	7.72	60.46
Balance as at the end of the year	6.37	6.37
Total Reserves and Surplus [(i) + (ii)]	141.88	134.99

₹ Crores

Note : 4		As at 31 March 2016	As at 31 March 2015
Long-term Borrowings			
Secured			
4.1	External Commercial Borrowings from Banks	2.10	12.83
	Less: Current maturities of Long Term Debt referred to in Note 10	2.10	10.73
		-	2.10
4.2	Term Loans from a company (Refer note below)	2.81	5.06
	Less: Current maturities of Long Term Debt referred to in Note 10	2.25	2.25
		0.56	2.81
4.3	Term Loans from Banks	161.20	74.70
	Less: Current maturities of Long Term Debt referred to in Note 10	37.80	30.41
		123.40	44.29
	Total (A)	123.96	49.20
Unsecured			
4.4	Term Loans from Banks	-	0.17
	Less: Current maturities of Long Term Debt referred to in Note 10	-	0.17
		-	-
4.5	Term Loans from a company (Refer note below)	0.47	0.84
	Less: Current maturities of Long Term Debt referred to in Note 10	0.37	0.35
		0.10	0.49
4.6	Advance received from TRW Automotive US LLC	-	1.05
	Less: Current maturities of Long Term Debt referred to in Note 10	-	1.05
		-	-
4.7	Fixed Deposits :		
	From Related Parties	0.22	0.37
	From others	1.01	4.25
	Less: Current maturities of Long Term Debt referred to in Note 10	1.22	3.35
		0.01	1.27
	Total (B)	0.11	1.76
	Total (A + B)	124.07	50.96

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.	a) SCB - ECB loan amounting to ₹ 14.45 Crores is repayable in 16 equal quarterly instalments commencing from February 2012 along with interest at the rate of 8.85 % per annum. The balance outstanding as at 31 March 2016 is ₹ Nil (As at 31 March 2015 - ₹ 2.71 Crores). b) SCB - ECB loan amounting to ₹ 16.80 Crores is repayable in 16 equal quarterly instalments commencing from December 2012 along with interest at the rate of 7.95% per annum. The balance outstanding as at 31 March 2016 is ₹ 2.10 Crores (As at 31 March 2015 - ₹ 6.30 Crores). c) DBS - ECB loan amounting to ₹ 15.29 Crores is repayable in 8 equal half yearly instalments commencing from September 2012 along with interest at the rate of 8.98 % per annum. The balance outstanding as at 31 March 2016 is ₹ NIL (As at 31 March 2015 - ₹ 3.82 Crores).
4.2	Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly secured on the respective machinery of Die cast business.	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 2016 is ₹ 3.28 Crores (As at 31 March 2015 - ₹ 5.90 Crores) which is secured to the extent of ₹ 2.81 Crores on the respective machinery of Die casting Business and unsecured to the extent of ₹ 0.47 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 5 Crores. (As at 31 March 2015 - ₹ 15 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 29.40 Crores. c) 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 39.29 Crores. (As at 31 March 2015 - ₹ 35.69 Crores). d) 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 43.83 Crores. (As at 31 March 2015 - ₹ 19.05 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 Die cast Business's immovable properties both present and future and are also secured by hypothecation of the Company's Die cast 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. 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. Corporate Rupee loan from ICICI Bank Ltd is secured on a first Pari Passu charge on fixed assets of the Company both present and future (except Velachery property) and second Pari Passu charge on Current assets both present and future.	e)	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 at 31 March 2016 is ₹ 1.63 Crores (As at 31 March 2015 - ₹ 2.70 Crores).
	f)	Yes Bank Ltd - INR Long Term Loan amounting to ₹ 3.50 Crores is repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period along with an interest of 11.50% per annum. The Balance outstanding as at 31 March 2016 is ₹ 1.44 Crores (As at 31 March 2015 - ₹ 2.26 Crores).
	g)	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 bps per annum. payable with quarterly rests. The balance outstanding as at 31 March 2016 is ₹ 10.61 Crores
	h)	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 31 March 2016 is ₹ 30 Crores
Unsecured		
4.4	Term Loan from IDBI Bank Limited amounting to ₹ 1.70 Crores	It is repayable in 20 equal quarterly instalments commencing from October 2010 along with an interest at the rate of 14.25 % per annum. The Balance Outstanding as at 31 March 2016 is ₹ Nil (As at 31 March 2015 ₹ 0.17 Crores).
4.5	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 at 31 March 2016 is ₹ 3.28 Crores (As on 31 March 2015 - ₹ 5.90 Crores) which is secured to the extent of ₹ 2.81 Crores on the respective machinery of Die casting Business and unsecured to the extent of ₹ 0.47 Crores
4.6	Advance from TRW Automotive US LLC amounting to ₹ 2.92 Crores (USD 5,50,000 equivalent)	It is repayable in 22 Equal instalments commencing from November 2013 with an interest of 1.74% per annum based on the supply forecast. The Balance Outstanding as at 31 March 2016 is ₹ Nil (As at 31 March 2015 - ₹ 1.05 Crores).

4.7 Fixed deposits

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

₹ Crores		
	As at 31 March 2016	As at 31 March 2015
Amounts maturing from Balance Sheet date		
Within one year	1.22	3.35
After one year and upto two years	0.01	1.27
After two years and upto three years	-	-
Total	1.23	4.62
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 which has not fallen due for repayment as at 31 March 2016 as per the original terms of acceptance of such deposits, aggregating ₹ 1.23 Crores, the Company has in pursuance of MCA Circular dated 28 January 2015 filed an application before the Company Law Board, Chennai (CLB), on 27 March 2015, seeking permission 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. Approval of the CLB has been obtained on 16 September 2015.

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 5		
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	1.58	1.93
- Others	17.83	16.75
	19.41	18.68
(ii) Assets:		
Provision for expenses allowable on payment basis	(4.94)	(4.52)
Termination benefit under Voluntary Retirement Scheme	(3.00)	(3.54)
Brought forward business losses and unabsorbed depreciation	-	(3.56)
Others	(3.46)	(2.16)
	(11.40)	(13.78)
Net Deferred Tax Liability as at the year end [(i) + (ii)]	8.01	4.90

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 6		
Other Long term liabilities		
Termination benefit under Voluntary Retirement Scheme	0.14	0.26
Total	0.14	0.26

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 7		
Long term provisions		
Provision for compensated absences	4.15	4.05
Provision for Product warranty (Refer Note : 11)	3.30	2.80
Total	7.45	6.85

₹ Crores

	As at 31 March 2016	As at 31 March 2015
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Note : 8**Short-term borrowings**

Secured Loans from Banks *		
Loans repayable on demand	1.04	7.84
Commercial paper (Maximum amount outstanding at any time during the year - ₹ 40 Crores / Previous year - ₹ 40 Crores)	40.00	40.00
Other loans	63.82	61.18
Unsecured Loans		
Sales Tax Deferral	0.08	0.08
Other loans from banks	6.00	-
Total	110.94	109.10

* 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 fixed assets of the Company both present and future.

₹ Crores

	As at 31 March 2016	As at 31 March 2015
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Note : 9**Trade payables**

Total outstanding dues of Creditors other than Micro enterprises		
Acceptances	20.25	18.78
Others	105.02	100.02
	125.27	118.80
Total outstanding dues of Micro enterprises and small enterprises (Refer (i) below)		
	11.42	13.92
Total	136.69	132.72

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	11.28	13.92
- Interest	0.14	0.12
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	0.10	0.25

₹ Crores

	As at 31 March 2016	As at 31 March 2015
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	15.04	29.08
- Interest	0.14	0.11
The amount of interest accrued and remaining unpaid at the end of the year Nil [(Previous year Nil) 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.	0.15	0.12

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 10		
Other current liabilities		
Current maturities of Long term debt (Refer Note 4)	43.74	48.31
Interest accrued but not due on borrowings	1.55	1.25
Unpaid dividend *	0.14	0.16
Unpaid matured deposits and interest accrued thereon *	0.02	0.04
Others :		
Derivative Liability	0.56	-
Advance from customers	1.10	0.48
Commission payable	0.45	0.17
Statutory dues (incl. Provident Fund, Excise Duty and TDS)	7.53	8.62
Payables on purchase of fixed assets	2.15	3.57
Security deposit received	0.30	0.33
Gratuity	4.50	3.91
Total	62.04	66.84

* 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

	As at 31 March 2016	As at 31 March 2015
Note : 11		
Short-term provisions		
Provision for compensated absences	0.81	0.57
Provision for Product warranty *	1.51	1.73
Proposed dividend on Equity Shares	-	4.73
Proposed dividend on Preference Shares	0.56	0.56
Tax on proposed dividend	0.11	1.08
Total	2.99	8.67
* Movement in Provision for Product Warranty (Also refer Note 7)		
Balance at the beginning of the year	4.53	3.70
Provision made during the year	0.88	2.10
Provision used against claims settled during the year	0.60	1.27
Balance at the end of the year	4.81	4.53

Note : 12
Fixed Assets - Current Year

₹ Crores

	Gross Block							Depreciation / Amortisation				Net Block		
Description	Cost as at 31 March 2015	Additions	Adjustments during the year		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		
			Borrowing cost capitalised	Effect of foreign currency exchange differences										
													Refer note 44	
(i)	Tangible Assets													
	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	382.17	151.38	31.90	3.23	180.05	202.12	158.27		
	Furniture and Fixtures	4.96	1.51	0.05	-	6.39	3.73	0.51	0.10	4.14	2.25	1.23		
	Vehicles	1.19	0.04	-	-	1.19	0.85	0.14	0.04	0.95	0.24	0.34		
	Office Equipments	13.92	1.69	-	-	15.59	10.40	1.80	0.02	12.18	3.41	3.52		
	Total	411.59	99.44	4.11	0.38	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 Tangible and Intangible assets	425.96	99.84	4.11	0.38	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		

Note : 12
Fixed Assets - Previous Year

₹ Crores

		Gross Block			Depreciation / Amortisation					Net Block		
Description	Cost as at 31 March 2014	Additions	Adjustments during the year	Deletions	Cost as at 31 March 2015	Upto 31 March 2014	For the year	On Deletions	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
			Effect of foreign currency exchange differences (Refer note 44)									
(i) Tangible Assets												
Land - Freehold	17.49	7.25	-	-	24.74	-	-	-	-	-	24.74	17.49
Land - Leasehold	0.72	-	-	-	0.72	0.06	-	-	-	0.06	0.66	0.66
Leasehold Land Development Costs	0.77	-	-	-	0.77	0.47	0.07	-	-	0.54	0.23	0.30
Buildings	45.05	10.59	-	-	55.64	7.19	2.47	-	-	9.66	45.98	37.86
Plant and Machinery	277.40	34.57	1.08	3.40	309.65	127.17	26.46	3.20	0.95	151.38	158.27	150.23
Furniture and Fixtures	4.30	0.79	-	0.13	4.96	3.45	0.38	0.10	-	3.73	1.23	0.85
Vehicles	1.08	0.11	-	-	1.19	0.71	0.14	-	-	0.85	0.34	0.37
Office Equipments	10.92	3.01	-	0.01	13.92	9.00	1.40	-	-	10.40	3.52	1.92
Total	357.73	56.32	1.08	3.54	411.59	148.05	30.92	3.30	0.95	176.62	234.97	209.68
(ii) Intangible Assets												
Licenses	3.96	0.25	-	-	4.21	3.19	0.46	-	-	3.65	0.56	0.77
Goodwill	10.16	-	-	-	10.16	2.03	2.03	-	-	4.06	6.10	8.13
Total	14.12	0.25	-	-	14.37	5.22	2.49	-	-	7.71	6.66	8.90
Total Tangible and Intangible assets	371.85	56.57	1.08	3.54	425.96	153.27	33.41	3.30	0.95	184.33	241.63	218.58
(iii) Capital work in progress											29.47	4.29
Total											271.10	222.87

₹ Crores

	As at 31 March 2016	As at 31 March 2015
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Note : 13**Non - Current Investments**

Investment in wholly owned subsidiary:		
Rane (Madras) International Holdings, B.V (1 Share of Euro 1 each)	0.15	-
Total	0.15	-

₹ Crores

	As at 31 March 2016	As at 31 March 2015
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Note : 14**Long Term Loans and Advances** (Unsecured considered good)

Capital Advances	1.93	8.85
Deposits with Government authorities:		
i) Security deposits	6.34	3.25
ii) Amount paid to statutory authorities	1.81	1.44
Interest free loan to Related party (Rane Foundation)	-	0.50
Advance Income Tax [Net of Provision for tax ₹ 44.77 Crores (previous year ₹ 40.56 Crores)]	8.68	7.12
MAT credit entitlement	11.08	8.33
Total	29.84	29.49

₹ Crores

	As at 31 March 2016	As at 31 March 2015
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Note : 15**Inventories** (Valued at Lower of Cost and Net Realisable Value)

Raw Materials and Components *	16.54	17.31
Work-in-Progress *	8.41	8.01
Finished Goods *	54.52	47.41
Goods in transit *	3.71	3.81
Stores and Spares	10.17	9.77
Total	93.35	86.31

* Refer Note 31

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 16		
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from due date for payment:		
Considered doubtful	1.58	0.99
Less: provision for doubtful receivables	1.58	0.99
Other debts:		
Considered good	121.80	114.67
Considered doubtful	0.95	0.74
Less: provision for doubtful receivables	0.95	0.74
Total	121.80	114.67

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 17		
Cash and Bank balances		
Cash and Cash equivalents		
Cash on hand	0.12	0.08
Bank balance in current accounts	1.50	1.46
EEFC account	0.03	0.18
Other bank balances		
Deposit accounts [Includes ₹ 0.14 (Previous year ₹ 0.14) lodged with government authorities]	0.83	0.93
Margin money Deposits	0.15	0.35
Earmarked Accounts		
Unpaid Dividend accounts	0.14	0.16
Interest warrant accounts	0.01	-
Total	2.78	3.16

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 18		
Short term loans and advances (Unsecured)		
Considered good		
Prepaid expenses	1.31	1.45
Advance to suppliers	3.40	4.20
Loans to employees	0.54	0.26
Balance with Customs and Excise Authorities	16.67	14.23
Export Entitlements	5.22	2.87
Claims receivable	0.34	0.44
Advance Fringe Benefits Tax	0.03	0.03
Other Deposits	0.02	-
Loan to subsidiary	13.26	-
Considered doubtful		
Advance to Suppliers	0.84	0.84
Less: provision for doubtful loans and advances	0.84	0.84
Total	40.79	23.48

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 19		
Other current assets		
Interest accrued on bank deposits	0.47	0.34
Derivative assets	-	0.27
Unamortised finance costs	0.69	0.21
Insurance claims receivable	2.42	0.56
Tooling cost recoverable	7.19	4.44
Total	10.77	5.82

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 20		
Revenue from Operations		
Sale of Products *	911.89	827.37
Less : Excise Duty	82.52	72.05
Net Sale of Products (i)	829.37	755.32
Other operating revenues :		
Sale of scrap	13.33	14.84
Less : Excise Duty	1.33	1.46
	12.00	13.38
Sale of raw materials	1.31	2.70
Less : Excise Duty	0.28	0.27
	1.03	2.43
Export entitlements	6.03	4.35
Sale of Tools	12.48	3.40
Net other operating revenues (ii)	31.54	23.56
Total (i) + (ii)	860.91	778.88
* Refer Note 34		

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 21		
Other Income		
Interest Income - on Deposits	0.32	0.28
- on Supplier payments	0.10	0.07
Interest Income from subsidiary	0.09	-
Other Non-operating income	1.05	0.72
Amenities income	0.02	0.02
Total	1.58	1.09

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 22		
Cost of Materials consumed		
Opening stock	17.31	17.79
Add: Purchases	480.97	432.04
Less: Closing stock	16.54	17.31
Raw materials and Components consumed *@	481.74	432.52
Freight inward	9.06	8.34
Job work expenses	23.36	21.14
Total	514.16	462.00
* includes cost of raw materials and components sold	1.18	1.98
@ Refer Note 35		

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 23		
Changes in inventories of finished goods and work in progress		
Opening Stock :		
Work-in-progress	8.01	10.86
Finished Goods	51.22	43.00
Total - A	59.23	53.86
Less :		
Closing Stock		
Work-in-progress	8.41	8.01
Finished Goods	58.23	51.22
Total - B	66.64	59.23
(Increase) / Decrease in Stocks (A – B)	(7.41)	(5.37)

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 24		
Employee benefit expenses		
Salaries and Wages	81.78	71.34
Contributions to:		
Provident Fund	4.15	3.89
Superannuation Fund	0.77	0.73
National Pension Scheme contribution	0.05	0.04
Gratuity Fund	1.88	2.36
Staff Welfare Expenses	9.62	8.95
Total	98.25	87.31

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

	2015-16	2014-15
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	12.13	9.76
Interest cost	0.86	0.86
Current service cost	0.97	0.78
(Benefits paid)	(2.05)	(0.61)
Actuarial (Gain) / Loss	0.62	1.34
Present value of obligation as at the end of the year	12.53	12.13
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	8.22	6.81
Expected return on plan assets	0.70	0.69
Contributions	1.29	1.41
(Benefits paid)	(2.05)	(0.62)
Actuarial (Loss)/Gain	(0.13)	(0.07)
Fair value of plan assets at the end of the year	8.03	8.22
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	12.53	12.13
Fair value of plan assets at the end of the year	8.03	8.22
Liability recognised in the Balance Sheet	4.50	3.91

Note : 24 (Contd.)

₹ Crores

				2015-16	2014-15	
IV	Expense Charged to Statement of Profit and Loss					
	Current service cost			0.97	0.78	
	Interest cost			0.86	0.86	
	Expected return on plan assets			(0.70)	(0.69)	
	Actuarial Loss / (Gain)			0.75	1.41	
	Expense recognised in the Statement of Profit and Loss*			1.88	2.36	
	* 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			0.57	0.62	
VII	Principal Actuarial Assumptions at Balance Sheet date					
	Discount rate			8.00%	7.80%	
	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 *	2015-16	2014-15	2013-14	2012-13	2011-12
	Present Value of obligation	12.53	12.13	9.76	11.47	9.26
	Plan Assets	8.03	8.22	6.81	8.52	7.68
	Surplus / (Deficit)	(4.50)	(3.91)	(2.95)	(2.95)	(1.58)
	Experience adjustments on plan liabilities - (Loss) / Gain	(0.78)	(0.30)	(0.49)	(0.90)	(0.58)
	Experience adjustments on plan assets - (Loss) / Gain	(0.15)	(0.07)	(0.11)	(0.04)	(0.07)
IX	Enterprises' best estimate of contribution during the next year	4.50	3.91	2.95	2.95	1.58

* Experience adjustment has been disclosed upto FY 2011-12 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:

	2015-16	2014-15
Principal Actuarial Assumptions at Balance Sheet date		
Discount rate	8.00%	7.80%
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

	Year ended 31 March 2016	Year ended 31 March 2015
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Note : 25**Finance costs**

Interest expense on		
- Borrowings from Banks @	14.06	10.98
- Fixed Deposits (#)	0.25	0.62
- Borrowing from related party	0.42	0.84
- Others	0.32	0.56
Other borrowing costs		
- Discount on Commercial paper	2.73	2.94
- Other borrowing costs	1.18	0.24
Total	18.96	16.18
# include interest paid/payable to Directors	*	0.01
@ Net of borrowing cost capitalized (Refer note 44)		
* Amount is below the rounding off norm adopted by the Company		

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 26		
Other expenses		
Stores, Spares and Tools consumed	33.44	31.17
Packing materials consumed	18.55	16.41
Increase / (Decrease) of excise duty on inventory	(1.04)	2.48
Power and Fuel	21.12	19.91
Repairs and Maintenance :		
- Buildings	3.21	2.89
- Plant and Machinery	6.90	6.53
- Others	7.00	6.27
Rent	1.19	1.11
Insurance	2.44	2.44
Rates and Taxes	1.43	0.99
Travelling and Conveyance	8.02	7.36
Professional Charges	12.28	11.66
Royalty and Technical Fees	0.25	0.71
Information Systems	3.43	3.04
Commission to Chairman	0.45	0.17
Freight Outward and Storage charges	23.22	23.86
Advertisement and Sales Promotion	6.71	5.65
Discount and Incentive	13.86	8.86
Product Warranty	1.16	1.70
Trade Mark	4.26	3.96
Provision for Doubtful Trade receivables and advances (Net of Write back)	0.32	0.62
Directors' Sitting Fees	0.15	0.12
Payment to auditors as auditors		
- Statutory Audit Fee	0.24	0.20
- Tax Audit Fee	0.03	0.03
- Limited Review Fee	0.06	0.05
- Certification Fee	0.05	0.04
- Reimbursement of expenses	*	*
Payment to cost auditor	-	0.03
Net loss on foreign currency transactions	2.99	1.22
Loss on sale of assets	0.14	0.09
Donation	0.43	0.52
Miscellaneous Expenses	5.50	6.27
Total	177.79	166.36

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

The Company has incurred an amount of ₹ 0.57 Crores towards Corporate Social Responsibility activities during the current year ended 31 March 2016.

Note: 27
Related Party Disclosures

	2015-16		2014-15	
(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 Die casting Inc. (RPDC)			
(b) Key Management Personnel	S Parthasarathy - CEO under the Companies Act, 2013 L Ganesh, Chairman		S Parthasarathy - Manager 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		Fellow Subsidiaries		Joint ventures of the Holding company		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Transaction during the year																
Professional Charges	3.89	3.13	-	-	-	-	-	-	-	-	-	-	-	-	3.89	3.13
Professional charges - REVL	-	-	-	-	-	-	-	-	-	-	0.10	0.15	-	-	0.10	0.15
Software Expenses	3.08	2.61	-	-	-	-	-	-	-	-	-	-	-	-	3.08	2.61
Training Expenses	0.59	0.67	-	-	-	-	-	-	-	-	-	-	-	-	0.59	0.67
Miscellaneous Expenses	0.17	0.65	-	-	-	-	-	-	-	-	-	-	-	-	0.17	0.65
Trademark Fee	4.02	3.72	-	-	-	-	-	-	-	-	-	-	-	-	4.02	3.72
Miscellaneous Income - REVL	-	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02
Sales Promotion Expenses - RBL	-	-	-	-	-	-	-	-	-	-	-	*	-	-	-	*
Sales Promotion Expenses - RHAI	-	-	-	-	-	-	-	-	-	-	2.34	1.56	-	-	2.34	1.56
Purchases RBL and REVL	-	-	-	-	-	-	-	-	-	-	17.92	12.19	-	-	17.92	12.19
Job Charges-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	-	0.01	-	0.01
Purchases-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.05	0.08	0.05	0.08
Purchases-RNSS	-	-	-	-	-	-	-	-	-	-	-	-	6.08	2.05	6.08	2.05
Sales-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	20.21	27.86	20.21	27.86

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Fellow Subsidiaries		Joint ventures of the Holding company		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Interest on Term Loan-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	0.42	0.65	0.42	0.65
Donation-Rane Foundation	-	-	-	-	-	-	-	-	0.43	0.52	-	-	-	-	0.43	0.52
Interest free Loan-Rane Foundation	-	-	-	-	-	-	-	-	(0.50)	(0.25)	-	-	-	-	(0.50)	(0.25)
Commission to Chairman	-	-	-	-	0.45	0.17	-	-	-	-	-	-	-	-	0.45	0.17
Loans Availed and (Repaid) during the year - RHL	-	(4.50)	-	-	-	-	-	-	-	-	-	-	-	-	-	(4.50)
Interest paid on Loans Availed and (Repaid) during the year - RHL	-	0.19	-	-	-	-	-	-	-	-	-	-	-	-	-	0.19
Equity contribution-RMIH	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-	0.15	-
Term Loan to subsidiary-RMIH	-	-	13.26	-	-	-	-	-	-	-	-	-	-	-	13.26	-
Interest on term loan - RMIH	-	-	0.09	-	-	-	-	-	-	-	-	-	-	-	0.09	-
Standby letter of credit-RPDC	-	-	13.65	-	-	-	-	-	-	-	-	-	-	-	13.65	-
Salaries - Mr. S Parthasarathy	-	-	-	-	1.14	1.02	-	-	-	-	-	-	-	-	1.14	1.02
Interest paid on Fixed Deposits	-	-	-	-	*	0.01	0.03	0.03	*	*	-	-	-	-	0.03	0.04
Sitting Fees	-	-	-	-	0.02	0.02	0.03	0.03	-	-	-	-	-	-	0.05	0.05
Fixed Deposits accepted / (repaid)	-	-	-	-	(0.05)	-	(0.05)	-	(0.02)	-	-	-	-	-	(0.12)	-
Balance as at year end																
Fixed Deposits outstanding	-	-	-	-	-	0.05	0.20	0.25	-	0.02	-	-	-	-	0.20	0.32
Payables	2.01	1.17	-	-	0.45	0.17	-	-	-	-	0.81	1.32	1.19	0.25	4.46	2.91
Receivables	-	-	-	-	-	-	-	-	-	*	0.02	*	3.30	3.85	3.32	3.85
Equity -RMIH	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-	0.15	-
Loan to subsidiary-RMIH	-	-	13.26	-	-	-	-	-	-	-	-	-	-	-	13.26	-
Interest on term loan - RMIH	-	-	0.09	-	-	-	-	-	-	-	-	-	-	-	0.09	-
Standby letter of credit-RPDC	-	-	13.65	-	-	-	-	-	-	-	-	-	-	-	13.65	-
Term loan payable-RTSS	-	-	-	-	-	-	-	-	-	-	-	-	3.28	5.90	3.28	5.90
Interest free Loan-Rane Foundation	-	-	-	-	-	-	-	-	-	0.50	-	-	-	-	-	0.50

Details of Related Party transactions :

₹ Crores

Description	Holding Company		Subsidiary		Key Management Personnel (KMP)		Relatives of KMP		Enterprises as defined in point (d) above		Fellow Subsidiaries		Joint ventures of the Holding company		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Interest paid on Fixed Deposits																
Mr. L Ganesh	-	-	-	-	*	0.01	-	-	-	-	-	-	-	-	*	0.01
Mrs. Vanaja Aghoram	-	-	-	-	-	-	*	0.01	-	-	-	-	-	-	*	0.01
Mrs. Shanthi Narayan	-	-	-	-	-	-	0.02	0.02	-	-	-	-	-	-	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)	-
Fixed Deposits outstanding																
Mr. L Ganesh	-	-	-	-	-	0.05	-	-	-	-	-	-	-	-	-	0.05
Mrs. Vanaja Aghoram	-	-	-	-	-	-	-	0.05	-	-	-	-	-	-	-	0.05
Mrs. Shanthi Narayan	-	-	-	-	-	-	0.20	0.20	-	-	-	-	-	-	0.20	0.20
Mr. L Lakshman - HUF	-	-	-	-	-	-	-	-	-	0.02	-	-	-	-	-	0.02
Payables																
RHL	2.01	1.17	-	-	-	-	-	-	-	-	-	-	-	-	2.01	1.17
Mr. L Ganesh	-	-	-	-	0.45	0.17	-	-	-	-	-	-	-	-	0.45	0.17
REVL	-	-	-	-	-	-	-	-	-	-	0.61	0.94	-	-	0.61	0.94
RHAI	-	-	-	-	-	-	-	-	-	-	0.19	0.38	-	-	0.19	0.38
RNSS	-	-	-	-	-	-	-	-	-	-	-	-	1.19	0.25	0.19	0.25
Receivables																
RBL	-	-	-	-	-	-	-	-	-	-	-	*	-	-	-	*
RTSS	-	-	-	-	-	-	-	-	-	-	-	-	3.30	3.85	3.30	3.85
REVL	-	-	-	-	-	-	-	-	-	-	0.02	-	-	-	0.02	-

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

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 28		
Contingent Liabilities, Guarantees and Commitment		
Contingent Liabilities		
Claims against the Company not acknowledged as debts:		
(i) Income Tax matters under appeal by the Company	18.15	13.43
(ii) Central Excise, Service Tax and Sales tax matters under appeal by the Company	14.43	3.46
(iii) Labour related matters under appeal by the Company	1.24	1.67
(iv) Corporate License fee under appeal by the Company	-	0.11
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	1.07	0.79
Letter of credit	18.83	2.87
Bill Discounting		
Out standing	26.18	21.28
Commitment		
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 1.55 Crores (previous year ₹ 8.77 Crores)]		
Tangible assets	8.18	8.06
Total	88.39	51.98

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 29		
The final dividend proposed for the year is as follows:		
On Equity Shares of ₹ 10 each		
Interim dividend proposed during the year	4.73	-
Dividend per equity share	₹ 4.50 per share	₹ Nil per share
Amount of final dividend proposed	-	4.73
Dividend per equity share	₹ Nil per share	₹ 4.50 per share

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 30		
Earnings Per Share		
Profit after Tax (₹ Crores) (A)	14.09	12.44
Number of equity shares of ₹ 10 each at the beginning of the year	10,510,649	10,510,649
Add: Equity shares issued during the year	-	-
Number of equity shares of ₹ 10 each at the end of the year	10,510,649	10,510,649
Weighted average number of equity shares of ₹ 10 each outstanding during the year (B)	10,510,649	10,510,649
Earnings per share (Basic and Diluted) - in ₹ (A/B)	12.77	11.20

₹ Crores

	As at 31 March 2016	As at 31 March 2015
Note : 31		
Particulars of Closing Inventories of Raw Materials, Work-in-Progress and Finished Goods		
Raw Materials and components		
Steel Forgings	2.84	2.64
Castings	0.88	0.93
Steel Tubes	0.06	0.05
Aluminium	0.95	0.45
Aluminium Pumps & Tubes	1.10	1.16
Others (individually less than 10% of the total raw materials and components inventory)	10.71	12.08
Total	16.54	17.31
Work-in-progress		
Steering and Suspension Linkage Products	3.70	3.51
Steering Gear Products	3.05	3.16
Cylinder	0.21	0.38
Die casting products	1.45	0.96
Total	8.41	8.01
Finished goods		
Steering and Suspension Linkage Products	22.85	25.57
Steering Gear Products	10.23	14.25
Cylinder	2.33	0.69
Die casting products	18.26	9.53
Other Auto components	4.56	1.18
Total	58.23	51.22

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 32		
Segment Reporting		
1. Revenue by Geographical Market		
India	653.67	599.37
Rest of the world	207.24	179.51
Total	860.91	778.88
2. Carrying Amount of Segment Assets		
India	555.75	485.96
Rest of the world	57.20	48.07
Total	612.95	534.03
3. Additions to Fixed Assets and Intangible Assets		
India	104.33	57.65
Rest of the world	-	-
Total	104.33	57.65

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 : 33**Exceptional Item**

Exceptional items represents amount paid to employees who opted for Voluntary Retirement Scheme extended to employees during the year.

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 34		
Details of Sale of Products		
Steering and Suspension Linkage Products	365.00	356.35
Steering Gear Products	391.94	341.27
Cylinder	23.21	18.20
Die casting products	96.85	96.79
Other Auto components	34.89	14.76
Total	911.89	827.37

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
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Note : 35**Details for Raw Materials and components consumed**

Steel Forgings	107.32	113.33
Castings	44.14	40.09
Steel Tubes	48.29	58.21
Aluminium	42.93	30.12
Aluminium pumps and tubes	8.08	6.89
Other Auto parts	22.21	10.98
Others (individually less than 10% of the total consumption)	207.59	170.92
Total	480.56	430.54
Imported	9.05% 43.50	10.56% 45.47
Indigenous	90.95% 437.06	89.44% 385.07
Total	100.00% 480.56	100.00% 430.54

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
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Note : 36**Stores, Spares and Tools consumed**

Imported	1.53% 0.51	1.92% 0.60
Indigenous	98.47% 32.93	98.08% 30.57
Total	100.00% 33.44	100.00% 31.17

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
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Note : 37**Value of Imports calculated on CIF basis**

Raw materials	29.35	29.15
Components	14.56	6.25
Stores, Spares & Tools	0.60	2.55
Capital goods	18.83	11.20
Total	63.34	49.15

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 38		
Research and Development cost		
Capital expenditure	0.97	6.08
Revenue expenditure		
i) Materials	0.32	0.22
ii) Employee benefits	3.88	4.22
iii) Professional fees	1.13	0.16
iv) Consumables	0.42	0.32
v) Travel expenses	0.62	0.65
vi) Others	0.59	0.73
Total	7.93	12.38

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. In respect of Puducherry unit the Company has made an application to obtain approval from the Department of Scientific and industrial research in respect of its R&D unit. The approval is awaited.

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 39		
Expenditure in foreign currency		
Travelling expenses	0.89	0.60
Freight outward and storage charges	1.48	2.21
Sales promotion expenses	2.89	1.38
Interest	0.69	0.72
Royalty and Technical Fees	2.23	1.56
Total	8.18	6.47

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 40		
Earnings in foreign exchange		
FOB Value of Exports	182.11	166.45

₹ Crores

Year ended 31 March 2016	Year ended 31 March 2015
-----------------------------	-----------------------------

Note : 41**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	0.43	0.46
- Later than one year and not later than five years	0.57	0.87
- Later than five years	-	-

b. Lease payments recognised in the Statement of Profit and Loss for the period	0.46	0.34
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Note : 42**Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges****Loans and advances in the nature of loan**

₹ Crores

Name of the Party	Amount outstanding as at 31 March 2016	Maximum balance outstanding during the year
Subsidiaries:		
Rane (Madras) International Holdings B.V (RMIH)		
Loan	13.26	13.26
	(-)	(-)
Interest	0.09	0.09
	(-)	(-)
Others:		
Rane Foundation		
Loan	-	0.50
	(0.50)	(0.75)

Note: Figures in bracket relate to the previous year.

Note : 43**Details on derivative instruments and unhedged foreign currency exposures**

I. The following derivative positions are open as at 31 March 2016.

- (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 2016

₹

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	-	₹
USD	Sell	(100,000)	₹
JPY	Buy	82,233,155	₹
JPY	Buy	(210,844,690)	₹

Note: Figures in brackets relate to the previous year

- (ii) Outstanding option contracts entered into by the Company as on 31 March 2016

₹

Currency	Buy/Sell	Amount	Cross Currency
USD	Sell	-	₹
USD	Sell	(3,700,000)	₹

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

Nature of transactions	As at 31 March 2016		As at 31 March 2015	
	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)	Receivable/ (Payable)
	₹	Foreign Currency	₹	Foreign Currency
Loan Payable - USD	(59.52)	-\$0.90	(45.26)	-\$0.73
Receivables - USD	32.88	\$0.50	22.51	\$0.36
Receivables - EUR	1.91	€ 0.03	1.94	€ 0.03
Loan Payable- EUR	(0.66)	-€ 0.01	(0.26)	€ 0.00
Payables - USD	(5.84)	-\$0.09	5.12	\$0.08
Payables - EUR	(0.38)	-€ 0.01	(0.37)	-€ 0.01
Payables - GBP	(0.05)	-£0.00	-	-
Advances - USD	0.47	\$0.01	(0.87)	-\$0.01
Advances - EUR	0.59	€ 0.01	-	-
Advances - GBP	0.06	£0.00	-	-
Advances - YEN	-	-	(0.18)	-¥0.34
Equity-EUR	0.15	*	-	-
Loan receivable - USD	13.26	\$0.20	-	-

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

₹ Crores

	Year ended 31 March 2016	Year ended 31 March 2015
Note : 44		
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- Building	1.97	-
- Plant and Machinery	2.09	-
- Furniture	0.05	-
'- Capital work in progress	-	0.73
Forex capitalization during the year		
- Plant and Machinery	0.38	1.08
- Capital work in progress	-	0.65
Total	4.49	2.46

Note : 45**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 45

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Independent Auditors' 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 31 March, 2016, 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, as applicable. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 Auditors' 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 other auditors in terms of their reports referred to in sub-paragraph (a) 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, 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 31 March, 2016, 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 ₹ 99.94 crores as at 31 March, 2016, total revenues of ₹ 29.17 crores and net cash flows amounting to ₹ Nil 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 reports have been furnished to us by the Management and our opinion

on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other auditors.

- b) We did not audit the financial statements of one subsidiary whose financial statements reflect total assets of ₹ 13.57 crores as at 31 March, 2016, total revenues of ₹ Nil and net cash flows amounting to ₹ 0.04 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 reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, 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 Accounting Standards prescribed under Section 133 of the Act, as applicable.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies incorporated in India is disqualified as on 31 March, 2016 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 Report in "Annexure A", which is based on the Auditors' reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, incorporated in India.

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

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Chennai
20 May 2016

Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph (f) under ‘Report on Other Legal and Regulatory Requirements’ 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 31 March 2016, we have audited the internal financial controls over financial reporting of **Rane (Madras) Limited** (hereinafter referred to as “the Holding Company”).

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company are 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 (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) 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 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 31 March 2016, 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)

Chennai
20 May 2016

Geetha Suryanarayanan
Partner
(Membership No: 29519)

Consolidated Balance Sheet

as at 31 March 2016

₹ Crores

Particulars	Note	As at 31 March 2016
I. EQUITY AND LIABILITIES		
(1) Shareholders' funds		
(a) Share Capital	2	18.74
(b) Reserves and surplus	3	140.43
		159.17
(2) Non-current liabilities		
(a) Long-term borrowings	4	139.54
(b) Deferred tax liabilities (Net)	5	8.01
(c) Other Long term liabilities	6	0.14
(d) Long-term provisions	7	7.45
		155.14
(3) Current liabilities		
(a) Short-term borrowings	8	144.12
(b) Trade payables	9	
- total outstanding dues of Micro enterprises and small enterprises		11.42
- total outstanding dues of Creditors other than Micro enterprises		146.82
(c) Other current liabilities	10	81.82
(d) Short-term provisions	11	2.99
		387.17
TOTAL		701.48
II. ASSETS		
(1) Non-current assets		
(a) Fixed assets	12	
(i) Tangible assets		354.32
(ii) Intangible assets		4.62
(iii) Capital work-in-progress		7.39
(b) Goodwill on consolidation		1.96
(c) Long-term loans and advances	13	29.81
Total		398.10
(2) Current assets		
(a) Inventories	14	100.96
(b) Trade receivables	15	161.79
(c) Cash and bank balances	16	2.82
(d) Short-term loans and advances	17	27.75
(e) Other current assets	18	10.06
		303.38
TOTAL		701.48

See accompanying notes forming part of the Financial Statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Consolidated Statement of Profit and Loss

for the year ended 31 March 2016

₹ Crores

Particulars	Note	Year ended 31 March 2016
I. Revenue from operations (Gross)	19	974.05
Less: Excise Duty		84.13
Revenue from operations (Net)		889.92
II. Other Income	20	1.65
III. Total Revenue (I + II)		891.57
IV. Expenses :		
Cost of materials consumed	21	529.51
Changes in inventories of finished goods and work-in-progress	22	(13.35)
Employee benefit expenses	23	108.27
Finance costs	24	19.21
Depreciation and amortization expense	12	40.91
Other expenses	25	187.05
Total expenses		871.60
V. Profit before exceptional item and tax (III – IV)		19.97
VI. Exceptional items - termination benefit under Voluntary Retirement Scheme	32	2.70
VII. Profit before tax (V – VI)		17.27
VIII. Tax expense :		
Current tax		4.23
Deferred tax charge/(credit)	5	3.11
MAT credit availed		(2.74)
Net tax expense		4.60
IX. Profit for the year (VII – VIII)		12.67
X. Earnings per equity share (of ₹ 10 each)	29	
Basic (in ₹)		11.42
Diluted (in ₹)		11.42

See accompanying notes forming part of the Financial Statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Consolidated Cash Flow Statement

for the year ended 31 March 2016

₹ Crores

Particulars	Year ended 31 March 2016
A. CASH FLOW FROM OPERATING ACTIVITIES	
Profit Before Tax	17.27
<i>Adjustments for:</i>	
Depreciation and Amortisation Expense	40.91
(Profit) / Loss on sale of assets	0.62
Finance Costs	19.21
Interest Income on Bank Deposit	(0.32)
Provision for Doubtful Trade receivables and advances (Net of Write back)	0.43
Unrealised Exchange (Gain) / Loss	1.80
Translation (Gain) / Loss on fixed assets	1.65
Foreign currency translation reserve	0.03
Operating Profit before Working Capital / Other Changes	81.60
<i>Adjustments for (increase)/decrease in operating assets:</i>	
Inventories	(7.98)
Long Term Loans and Advances	(2.96)
Trade Receivables	(16.25)
Short Term Loans and Advances	(4.11)
Other Current Assets	(6.65)
<i>Adjustments for increase/(decrease) in operating liabilities:</i>	
Other Long Term Liabilities	(0.12)
Long Term Provisions	0.59
Trade Payables	(1.50)
Other Current Liabilities	(5.51)
Short Term Provisions	0.01
Cash Generated from Operations	37.12
Direct Taxes Paid (Net of Refund Received)	(5.77)
Net Cash Flow From Operations	31.35
B. CASH FLOW FROM INVESTING ACTIVITIES	
Capital Expenditure	(75.33)
Proceeds from Sale of Fixed Assets	0.34
Interest Received on Bank Deposits	0.28
Bank balances not considered as Cash & Cash Equivalents	0.34
Net Cash Flow Used in Investing Activities	(74.37)

₹ Crores

Particulars	Year ended 31 March 2016
C. CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Long-Term Borrowings	107.19
Repayment of Long-Term Borrowings	(33.33)
Proceeds from other Short-Term Borrowings	3.47
Repayment of Fixed Deposits	(3.39)
Finance Costs	(18.77)
Dividend Paid	(10.02)
Tax on Dividend	(2.16)
Net Cash Flow from / (used) in Financing Activities	42.99
Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	(0.03)
Cash and Cash Equivalents at the Beginning of the Year	1.72
Cash and Cash Equivalents at the End of the Year (Refer Note 16)	1.69
	(0.03)

See accompanying notes forming part of the Financial Statements

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

For and on behalf of the Board of Directors

Geetha Suryanarayanan
Partner

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

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 manufacturing locations at Tamilnadu, Puducherry, Karnataka, Uttarkhand and Telangana.

In a significant move towards pursuing opportunities overseas for inorganic business growth aligned with the strategic goals, the Company acquired Precision Die Casting Inc.(PDC) in USA on 17 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'), incorporated during the year, to hold strategic overseas investments of the Company. Accordingly, this is the first Consolidated Financial Statements 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, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as 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.

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 tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

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

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

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 Fixed Assets (Tangible / Intangible)

Fixed 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 fixed 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 fixed asset 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 fixed assets after its purchase / completion is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Capital work-in-progress:

Projects under which tangible fixed assets 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 fixed 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 fixed 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 fixed 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 31 March 2016 and income and expense items are translated at the average rate applicable for the period ended 31 March 2016. All the opening assets and liabilities, both monetary and non-monetary items, and equity accounts are translated into the reporting currency at the exchange rate in effect at 17 February 2016. 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 Labour. 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

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 Fixed Assets.

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.

₹ Crores

Note : 2**As at
31 March 2016****Share Capital**

(i) Authorised	
2,50,00,000 Equity Shares of ₹ 10 each with voting rights	25.00
1,05,00,000 - Cumulative Redeemable Preference Shares of ₹ 10 each	10.50
(ii) Issued, Subscribed and Fully Paid Up	
1,05,10,649 Equity Shares of ₹ 10 each with voting rights	10.51
82,32,164, 6.74% Cumulative redeemable Preference Shares of ₹ 10 each	8.23
(iii) Number of Shares held by Holding Company	
- Rane Holdings Limited	
- Equity Shares (Nos.)	5,918,156
- Cumulative redeemable Preference Shares (Nos.)	82,32,164
(iv) Number of Equity Shares outstanding as at the beginning of the period (Nos.)	10,510,649
Add: Shares issued during the year (Nos.)	-
Number of Equity Shares outstanding as at the end of the period (Nos.)	10,510,649
(v) Number of Cumulative redeemable Preference Shares outstanding as at the beginning of the period (Nos.)	8,232,164
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.)	8,232,164
(vi) Shares in the Company held by each shareholder holding more than 5 per cent shares	
- Rane Holdings Limited	
- Equity Shares (Nos.)	5,918,156
	56.31%
- Cumulative redeemable Preference Shares (Nos.)	8,232,164
	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.

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 2016****Reserves and Surplus**

(i) Reserves	
Capital Subsidy	0.50
Amalgamation adjustment account	(0.20)
Capital Redemption Reserve	4.50
Securities Premium Account	3.57
Hedge Reserve Account	
Balance as at the beginning of the year	0.27
Less : Deductions	0.83
Balance as at the end of the year	(0.56)
Foreign currency translation reserves	
Balance as at the beginning of the year	-
Less : Deductions	0.03
Balance as at the end of the year	(0.03)
General Reserve	
Balance as at the beginning of the year	119.98
Add : Additions	7.72
Balance as at the end of the year	127.70
Total	135.48
(ii) Surplus in statement of Profit and Loss	
Balance as at the beginning of the year	6.37
Add:	
Profit for the year as per Statement of Profit and Loss	12.67
Less: Appropriations	
Interim Dividend on Equity Shares @ 45% (previous year -Nil)	4.73
Proposed Final Dividend on Equity Shares -Nil (previous year @ 45%)	-
Preference Dividend	0.56
Tax on dividends	1.08
Transfer to General Reserve	7.72
Balance as at the end of the year	4.95
Total Reserves and Surplus [(i) + (ii)]	140.43

₹ Crores

Note : 4**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)	2.81
	Less: Current maturities of Long Term Debt referred to in Note 10	2.25
		0.56
4.3	Term Loans from Banks	172.11
	Less: Current maturities of Long Term Debt referred to in Note 10	37.80
		134.31
	Total (A)	134.87

Unsecured

4.4	Term Loans from a company(Refer note below)	0.47
	Less: Current maturities of Long Term Debt referred to in Note 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	7.43
	Less: Current maturities of Long Term Debt referred to in Note 10	2.87
		4.56
	Total (B)	4.67
	Total (A + B)	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.	a) SCB - ECB loan amounting to ₹ 14.45 Crores is repayable in 16 equal quarterly instalments commencing from February 2012 along with interest at the rate of 8.85 % per annum. The balance outstanding as at 31 March 2016 is ₹ Nil. b) SCB - ECB loan amounting to ₹ 16.80 Crores is repayable in 16 equal quarterly instalments commencing from December 2012 along with interest at the rate of 7.95% per annum. The balance outstanding as at 31 March 2016 is ₹ 2.10 Crores. c) DBS - ECB loan amounting to ₹ 15.29 Crores is repayable in 8 equal half yearly instalments commencing from September 2012 along with interest at the rate of 8.98 % per annum. The balance outstanding as at 31 March 2016 is ₹ NIL.
4.2	Rupee Loan from Rane TRW Steering Systems Private Limited (RTSS) is partly secured on the respective machinery of Die cast business .	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 2016 is ₹ 3.28 Crores which is secured to the extent of ₹ 2.81 Crores on the respective machinery of Die casting Business and unsecured to the extent of ₹ 0.47 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 29.40 Crores. c) 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 39.29 Crores. d) 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 BPS). The Balance Outstanding as at 31 March 2016 is ₹ 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 Die cast Business's immovable properties both present and future and are also secured by hypothecation of the Company's Die cast 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.	e) 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 at 31 March 2016 is ₹ 1.63 Crores. f) Yes Bank Ltd - INR Long Term Loan amounting to ₹ 3.50 Crores is repayable in 17 equal quarterly instalments commencing from August 2013 with 9 months Moratorium period along with an interest of 11.50% per annum. The Balance outstanding as at 31 March 2016 is ₹ 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.	g) 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 bps per annum payable with quarterly rests. The balance outstanding as at 31 March 2016 is ₹ 10.61 Crores
	Corporate Rupee loan from ICICI Bank Ltd is secured on a first Pari Passu charge on fixed assets of the Company both present and future (except Velachery property) and second Pari Passu charge on Current assets both present and future.	h) 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 31 March 2016 is ₹ 30 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 17 February 2016 with an interest at the rate of 4.50 % per annum. The Balance Outstanding as at 31 March 2016 is ₹ 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 at 31 March 2016 is ₹ 3.28 Crores which is secured to the extent of ₹ 2.81 Crores on the respective machinery of Die casting Business and unsecured to the extend of ₹ 0.47 Crores
4.6	Capital lease	Represents the balance of pre existing capital lease obligation of Rane Precision Die casting Inc. acquired on 17 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 2016 is ₹ 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 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		-
		1.23
Rate of Interest	Interest Payable Quarterly	
Cumulative/ Non-Cumulative deposit scheme		
For 2012 Scheme		
for 2 Years		9.50% p.a.
for 3 Years		9.50% p.a.
For 2013 Scheme		
for 2 Years		9.50% p.a.
for 3 Years		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 which has not fallen due for repayment as at 31 March 2016 as per the original terms of acceptance of such deposits, aggregating ₹ 1.23 Crores, the Company has in pursuance of MCA Circular dated 28 January 2015 filed an application before the Company Law Board, Chennai (CLB), on 27 March, 2015, seeking permission 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. Approval of the CLB has been obtained on 16 September 2015.

₹ Crores

As at
31 March 2016**Note : 5****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	1.58
- Others	17.83

19.41**(ii) Assets:**

Provision for expenses allowable on payment basis	(4.94)
Termination benefit under Voluntary Retirement Scheme	(3.00)
Others	(3.46)

(11.40)**Net Deferred Tax Liability as at the year end [(i) + (ii)]****8.01**

₹ Crores

As at
31 March 2016**Note : 6****Other Long term liabilities**

Termination benefit under Voluntary Retirement Scheme	0.14
Total	0.14

₹ Crores

As at
31 March 2016**Note : 7****Long term provisions**

Provision for compensated absences	4.15
Provision for Product warranty (Refer Note : 11)	3.30
Total	7.45

₹ Crores

As at
31 March 2016**Note : 8****Short-term borrowings**

Secured Loans from Banks *	
Loans repayable on demand	34.22
Commercial paper (Maximum amount outstanding at any time during the year - ₹ 40 Crores)	40.00
Other loans	63.82
Unsecured Loans	
Sales Tax Deferral	0.08
Other loans from banks	6.00
Total	144.12
* Secured loans include cash credit, packing credit, commercial paper and working capital demand loan from banks and are secured on a <i>pari passu</i> 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 fixed assets of the Company both present and future.	

₹ Crores

As at
31 March 2016**Note : 9****Trade payables**

Total outstanding dues of Creditors other than Micro enterprises	
Acceptances	20.25
Others	126.57
Total outstanding dues of Micro enterprises and small enterprises (Refer (i) below)	
Total	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	11.28
- Interest	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	0.10

₹ Crores

	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	15.04
- Interest	0.14
The amount of interest accrued and remaining unpaid at the end of the year Nil [(Previous year Nil) 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.	0.15

₹ Crores

	As at 31 March 2016
--	------------------------

Note : 10**Other current liabilities**

Current maturities of Long term debt (Refer Note 4)	46.61
Interest accrued but not due on borrowings	1.69
Unpaid dividend *	0.14
Unpaid matured deposits and interest accrued thereon *	0.02
Others :	
Derivative Liability	0.56
Advance from customers	1.10
Commission payable	0.45
Statutory dues (incl. Provident Fund, Excise Duty and TDS)	8.06
Payables on purchase of fixed assets	2.15
Security deposit received	0.30
Gratuity	4.50
Pension plan	16.24
Total	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

As at
31 March 2016**Note : 11****Short-term provisions**

Provision for compensated absences	0.81
Provision for Product warranty *	1.51
Proposed dividend on Equity Shares	-
Proposed dividend on Preference Shares	0.56
Tax on proposed dividend	0.11
Total	2.99
* Movement in Provision for Product Warranty (Also refer Note 7)	
Balance at the beginning of the year	4.53
Provision made during the year	0.88
Provision used against claims settled during the year	0.60
Balance at the end of the year	4.81

Note : 12
Fixed Assets - Current Year

	₹ Crores															
Description	Gross Block						Depreciation / Amortisation					Net Block				
	Cost as at 31 March 2015	Additions	Adjustments during the year				Deletions	Cost as at 31 March 2016	Upto 31 March 2015	For the year	Adjustments during the year		On Deletions	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
			Other adjust-ments**	Borrowing cost capitalised	Effect of foreign currency exchange differences	Translation adjust-ment					Other adjust-ments**	Trans-lation adjust-ment				
Refer note : 44																
(i) Tangible Assets																
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	4.17	(1.72)	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	4.36	(1.79)	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 Tangible and Intangible assets	425.96	99.84	60.48	4.11	0.38	4.36	(1.79)	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

As at
31 March 2016**Note : 13****Long Term Loans and Advances** (Unsecured considered good)

Capital Advances	1.93
Deposits with Government authorities:	
i) Security deposits	6.34
ii) Amount paid to statutory authorities	1.81
Advance Income Tax [Net of Provision for tax ₹ 44.79 Crores]	8.66
MAT credit entitlement	11.07
Total	29.81

₹ Crores

As at
31 March 2016**Note : 14****Inventories** (Valued at Lower of Cost and Net Realisable Value)

Raw Materials and Components *	18.21
Work-in-Progress *	13.21
Finished Goods *	55.66
Goods in transit *	3.71
Stores and Spares	10.17
Total	100.96

* Refer Note 30

₹ Crores

As at
31 March 2016**Note : 15****Trade Receivables** (Unsecured)

Outstanding for a period exceeding six months from due date for payment:	
Considered doubtful	1.58
Less: provision for doubtful receivables	1.58
Other debts:	
Considered good	161.79
Considered doubtful	1.84
Less: provision for doubtful receivables	1.84
Total	161.79

₹ Crores

As at
31 March 2016**Note : 16****Cash and Bank balances**

Cash and Cash equivalents	
Cash on hand	0.12
Bank balance in current accounts	1.54
EEFC account	0.03
Other bank balances	
Deposit accounts (Includes ₹ 0.14 lodged with government authorities)	0.83
Margin money Deposits	0.15
Earmarked Accounts	
Unpaid Dividend accounts	0.14
Interest warrant accounts	0.01
Total	2.82

₹ Crores

As at
31 March 2016**Note : 17****Short term loans and advances (Unsecured)**

Considered good	
Prepaid expenses	1.53
Advance to suppliers	3.40
Loans to employees	0.54
Balance with Customs and Excise Authorities	16.67
Export Entitlements	5.22
Claims receivable	0.34
Advance Fringe Benefits Tax	0.03
Other Deposits	0.02
Considered doubtful	
Advance to Suppliers	0.84
Less: provision for doubtful loans and advances	0.84
Total	27.75

₹ Crores

As at
31 March 2016**Note : 18****Other current assets**

Interest accrued on bank deposits	0.38
Unamortised finance costs	0.69
Insurance claims receivable	2.42
Tooling cost recoverable	6.57
Total	10.06

₹ Crores

Year ended
31 March 2016**Note : 19****Revenue from Operations**

Sale of Products *	939.31
Less : Excise Duty	82.52
Net Sale of Products (i)	856.79
Other operating revenues	
Sale of scrap	13.63
Less : Excise Duty	1.33
	12.30
Sale of raw materials	1.31
Less : Excise Duty	0.28
	1.03
Export entitlements	6.03
Sale of Tools	13.77
Net other operating revenues (ii)	33.13
Total (i) + (ii)	889.92
* Refer Note 33	

₹ Crores

**Year ended
31 March 2016**
Note : 20**Other Income**

Interest Income	- on Deposits	0.32
	- on Supplier payments	0.10
Other Non-operating income		1.21
Amenities income		0.02
Total		1.65

₹ Crores

**Year ended
31 March 2016**
Note : 21**Cost of Materials consumed**

Opening stock	17.31
Add: Purchases	497.91
Less: Closing stock	18.21
Raw materials and Components consumed *@	497.01
Freight inward	9.14
Job work expenses	23.36
Total	529.51
* includes cost of raw materials and components sold	1.18
@ Refer Note 34	

₹ Crores

Year ended
31 March 2016

Note : 22**Changes in inventories of finished goods and work in progress**

Opening Stock :	
Work-in-progress	8.01
Finished Goods	51.22
Total - A	59.23
Less :	
Closing Stock	
Work-in-progress	13.21
Finished Goods	59.37
Total - B	72.58
(Increase) / Decrease in stocks (A – B)	(13.35)

₹ Crores

Year ended
31 March 2016

Note : 23**Employee benefit expenses**

Salaries and Wages	90.99
Contributions to:	
Provident Fund	4.15
Superannuation Fund	0.77
National Pension Scheme contribution	0.05
Savings Plan	0.15
Pension plan	0.23
Gratuity Fund	1.88
Staff Welfare Expenses	10.05
Total	108.27

Note : 23 (Contd.)**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
		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	12.13
	Interest cost	0.86
	Current service cost	0.97
	(Benefits paid)	(2.05)
	Actuarial (Gain) / Loss	0.62
	Present value of obligation as at the end of the year	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	8.22
	Expected return on plan assets	0.70
	Contributions	1.29
	(Benefits paid)	(2.05)
	Actuarial (Loss) / Gain	(0.13)
	Fair value of plan assets at the end of the year	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	12.53
	Fair value of plan assets at the end of the year	8.03
	Liability recognised in the Balance Sheet	4.50
IV	Expense Charged to Statement of Profit and Loss	
	Current service cost	0.97
	Interest cost	0.86
	Expected return on plan assets	(0.70)
	Actuarial Loss / (Gain)	0.75
	Expense recognised in the statement of Profit and Loss*	1.88
* Included in contribution to 'Gratuity Fund' under Employee Costs of respective years.		

Note : 23 (Contd.)

₹ Crores						
2015-16						
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				0.57	
VII	Principal Actuarial Assumptions at Balance Sheet date					
	Discount rate				8.00%	
	Expected rate of salary increase					
	- Executives and Staff				8.00%	
	- Operators				6.00%	
	Expected rate of return on plan assets				9.00%	
	Attrition rate					
	- Executives and Staff				8.00%	
	- Operators				3.00%	
VIII	Experience Adjustments *	2015-16	2014-15	2013-14	2012-13	2011-12
	Present Value of obligation	12.53	12.13	9.76	11.47	9.26
	Plan Assets	8.03	8.22	6.81	8.52	7.68
	Surplus / (Deficit)	(4.50)	(3.91)	(2.95)	(2.95)	(1.58)
	Experience adjustments on plan liabilities - (Loss) / Gain	(0.78)	(0.30)	(0.49)	(0.90)	(0.58)
	Experience adjustments on plan assets - (Loss) / Gain	(0.15)	(0.07)	(0.11)	(0.04)	(0.07)
IX	Enterprises' best estimate of contribution during the next year	4.50	3.91	2.95	2.95	1.58

* Experience adjustment has been disclosed upto FY 2011-12 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 : 23 (Contd.)**B. Compensated Absences**

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

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

In respect of a subsidiary**C. 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
	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	38.41
Interest cost	0.16
Current service cost	0.12
(Benefits paid)	(0.09)
Actuarial (Gain) / Loss	(1.25)
Translation (Gain)/Loss	(1.12)
Present value of obligation as at the end of the year	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	20.57
Expected return on plan assets	0.16
Contributions	0.16
(Benefits paid)	(0.09)
Actuarial (Loss)/Gain	0.04
Translation Gain/(Loss)	(0.85)
Fair value of plan assets at the end of the year	19.99
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	36.23
Fair value of plan assets at the end of the year	19.99
Liability recognised in the Balance Sheet	16.24

Note : 23 (Contd.)

		₹ Crores
		2015-16
IV	Expense Charged to Statement of Profit and Loss	
	Current service cost	0.12
	Interest cost	0.16
	Expected return on plan assets	(0.16)
	Actuarial Loss / (Gain)	0.11
	Expense recognised in the Statement of Profit and Loss*	0.23
	* Included in 'Pension plan' under Employee Costs.	
V	Actual return on Plan Assets	0.20
VI	Principal Actuarial Assumptions at Balance Sheet date	
	Discount rate	3.85%
	Expected rate of return on plan assets	7.00%

		₹ Crores
		Year ended 31 March 2016

Note : 24**Finance costs**

Interest expense on		
- Borrowings from Banks @		14.32
- Fixed Deposits (#)		0.25
- Borrowing from related party		0.42
- Others		0.31
Other borrowing costs		
- Discount on Commercial paper		2.73
- Other borrowing costs		1.18
Total		19.21
#	include interest paid/payable to Directors	*
@	Net of borrowing cost capitalized (Refer note 44)	
*	Amount is below the rounding off norm adopted by the Company.	

₹ Crores

Year ended
31 March 2016**Note : 25****Other expenses**

Stores, Spares and Tools consumed	37.42
Packing materials consumed	18.55
Increase / (Decrease) of excise duty on inventory	(1.04)
Power and Fuel	22.37
Repairs and Maintenance :	
- Buildings	3.23
- Plant and Machinery	7.34
- Others	7.63
Rent	1.30
Insurance	2.59
Rates and Taxes	1.57
Travelling and Conveyance	8.15
Professional Charges	13.40
Royalty and Technical Fees	0.25
Information Systems	3.43
Commission to Chairman	0.45
Freight Outward and Storage charges	23.25
Advertisement and Sales Promotion	6.71
Discount and Incentive	13.86
Sales Commission	0.05
Product Warranty	1.16
Trade Mark	4.26
Provision for Doubtful Trade receivables and advances (Net of Write back)	0.43
Directors' Sitting Fees	0.15
Payment to auditors as auditors	
- Statutory Audit Fee	0.30
- Tax Audit Fee	0.03
- Limited Review Fee	0.06
- Certification Fee	0.05
- Reimbursement of expenses	*
Net loss on foreign currency transactions	2.99
Loss on sale of assets	0.62
Donation	0.43
Miscellaneous Expenses	6.06
Total	187.05

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

The Company has incurred an amount of ₹ 0.57 Crores towards Corporate Social Responsibility activities during the current year ended 31 March 2016.

Note: 26

Related Party Disclosures

2015-16

- (a) List of related parties where control exists
Holding Company
Rane Holdings Limited (RHL)
- (b) Key Management Personnel
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
- (d) Enterprises over which KMP or relatives of KMP can exercise significant influence
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)
Joint ventures of the Holding company
Rane TRW Steering Systems Private Limited (RTSS)
Rane NSK Steering Systems Private Limited (RNSS)
Associate of the Holding company
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	Key Management Personnel (KMP)	Relatives of KMP	Enterprises as defined in point (d) above	Fellow Subsidiaries	Joint ventures of the Holding company	Total
	2016	2016	2016	2016	2016	2016	2016
Transaction during the year							
Professional Charges	3.89	-	-	-	-	-	3.89
Professional Charges - REVL	-	-	-	-	0.10	-	0.10
Software Expenses	3.08	-	-	-	-	-	3.08
Training Expenses	0.59	-	-	-	-	-	0.59
Miscellaneous Expenses	0.17	-	-	-	-	-	0.17
Trademark Fee	4.02	-	-	-	-	-	4.02
Sales Promotion Expenses - RHAi	-	-	-	-	2.34	-	2.34
Purchases RBL and REVL	-	-	-	-	17.92	-	17.92
Purchases-RTSS	-	-	-	-	-	0.05	0.05
Purchases-RNSS	-	-	-	-	-	6.08	6.08
Sales-RTSS	-	-	-	-	-	20.21	20.21
Interest on Term Loan-RTSS	-	-	-	-	-	0.42	0.42
Donation-Rane Foundation	-	-	-	0.43	-	-	0.43
Interest free Loan-Rane Foundation	-	-	-	(0.50)	-	-	(0.50)

₹ Crores

Description	Holding Company	Key Management Personnel (KMP)	Relatives of KMP	Enterprises as defined in point (d) above	Fellow Subsidiaries	Joint ventures of the Holding company	Total
	2016	2016	2016	2016	2016	2016	2016
Commission to Chairman	-	0.45	-	-	-	-	0.45
Salaries - Mr. S Parthasarathy	-	1.14	-	-	-	-	1.14
Interest paid on Fixed Deposits	-	*	0.03	*	-	-	0.03
Sitting Fees	-	0.02	0.03	-	-	-	0.05
Fixed Deposits accepted / (repaid)	-	(0.05)	(0.05)	(0.02)	-	-	(0.12)
Balance as at year end							
Fixed Deposits outstanding	-	-	0.20	-	-	-	0.20
Payables	2.01	0.45	-	-	0.81	1.19	4.46
Receivables	-	-	-	-	0.02	3.30	3.32
Term loan payable-RTSS	-	-	-	-	-	3.28	3.28

Details of Related Party transactions

₹ Crores

Description	Holding Company	Key Management Personnel (KMP)	Relatives of KMP	Enterprises as defined in point (d) above	Fellow Subsidiaries	Joint ventures of the Holding company	Total
	2016	2016	2016	2016	2016	2016	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)
Fixed Deposits outstanding							
Mrs. Shanthi Narayan	-	-	0.20	-	-	-	0.20
Payables							
RHL	2.01	-	-	-	-	-	2.01
Mr. L Ganesh	-	0.45	-	-	-	-	0.45
REVL	-	-	-	-	0.61	-	0.61
RHAI	-	-	-	-	0.19	-	0.19
RNSS	-	-	-	-	-	1.19	1.19
Receivables							
RTSS	-	-	-	-	-	3.30	3.30
REVL	-	-	-	-	0.02	-	0.02

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

₹ Crores

As at
31 March 2016**Note : 27****Contingent Liabilities, Guarantees and Commitment**

Contingent Liabilities	
Claims against the Company not acknowledged as debts:	
(i) Income Tax matters under appeal by the Company	18.15
(ii) Central Excise, Service Tax and Sales tax matters under appeal by the Company	14.43
(iii) Labour related matters under appeal by the Company	1.24
(iv) Corporate License fee under appeal by the Company	-
Others	
(i) Income Tax matters under appeal by the Department	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	1.07
Letter of credit	18.83
Bill Discounting	
Out standing	26.18
Commitment	
Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advance ₹ 1.55 Crores]	
Tangible assets	8.18
Total	88.39

₹ Crores

As at
31 March 2016**Note : 28****The final dividend proposed for the year is as follows:**

On Equity Shares of ₹ 10 each	
Interim dividend proposed during the year	4.73
Dividend per equity share	₹ 4.50 per share
Amount of final dividend proposed	-
Dividend per equity share	₹ Nil per share

₹ Crores

As at
31 March 2016**Note : 29****Earnings Per Share**

Profit after Tax (₹ Crores) (A)	12.67
Number of equity shares of ₹ 10 each at the beginning of the year	10,510,649
Add:Equity shares issued during the year	-
Number of equity shares of ₹ 10 each at the end of the year	10,510,649
Weighted average number of equity shares of ₹ 10 each outstanding during the year (B)	10,510,649
Earnings per share (Basic and Diluted) - in ₹ (A/B)	11.42

₹ Crores

As at
31 March 2016**Note : 30****Particulars of Closing Inventories of Raw Materials, Work-in-Progress and Finished Goods**

Raw Materials and components	
Steel Forgings	2.84
Castings	0.88
Steel Tubes	0.06
Aluminium	2.61
Aluminium Pumps & Tubes	1.10
Others (individually less than 10% of the total raw materials and components inventory)	10.72
Total	18.21
Work-in-progress	
Steering and Suspension Linkage Products	3.70
Steering Gear Products	3.05
Cylinder	0.21
Die casting products	6.25
Total	13.21
Finished goods	
Steering and Suspension Linkage Products	22.85
Steering Gear Products	10.23
Cylinder	2.33
Die casting products	19.40
Other Auto components	4.56
Total	59.37

₹ Crores

Year ended
31 March 2016

Note : 31**Segment Reporting**

1. Revenue by Geographical Market	
India	653.67
Rest of the world	236.25
Total	889.92
2. Carrying Amount of Segment Assets	
India	542.26
Rest of the world	159.22
Total	701.48
3. Additions to Fixed Assets and Intangible Assets	
India	104.33
Rest of the world	-
Total	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 : 32**Exceptional Item**

Exceptional items represents amount paid to employees who opted for Voluntary Retirement Scheme extended to employees during the year.

₹ Crores

Year ended
31 March 2016

Note : 33**Details of Sale of Products**

Steering and Suspension Linkage Products	365.00
Steering Gear Products	391.94
Cylinder	23.21
Die casting products	124.27
Other Auto components	34.89
Total	939.31

₹ Crores

Year ended
31 March 2016**Note : 34****Details for Raw Materials and components consumed**

Steel Forgings		107.32
Castings		44.14
Steel Tubes		48.29
Aluminium		58.20
Aluminium pumps and tubes		8.08
Other Auto parts		22.21
Others (individually less than 10% of the total consumption)		207.59
Total		495.83
Imported	8.77%	43.50
Indigenous	91.23%	452.33
Total	100.00%	495.83

₹ Crores

Year ended
31 March 2016**Note : 35****Stores, Spares and Tools consumed**

Imported	1.36%	0.51
Indigenous	98.64%	36.91
Total	100.00%	37.42

₹ Crores

Year ended
31 March 2016**Note : 36****Value of Imports calculated on CIF basis**

Raw materials	29.35
Components	14.56
Stores, Spares & Tools	0.60
Capital goods	18.83
Total	63.34

₹ Crores

Year ended
31 March 2016
Note : 37**Research and Development cost**

Capital expenditure	0.97
Revenue expenditure	
i) Materials	0.32
ii) Employee benefits	3.88
iii) Professional fees	1.13
iv) Consumables	0.42
v) Travel expenses	0.62
vi) Others	0.59
Total	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. In respect of Puducherry unit the Company has made an application to obtain approval from the Department of Scientific and industrial research in respect of its R&D unit. The approval is awaited.

₹ Crores

Year ended
31 March 2016
Note : 38**Expenditure in foreign currency**

Travelling expenses	0.89
Freight outward and storage charges	1.48
Sales promotion expenses	2.89
Interest	0.69
Royalty and Technical Fees	2.23
Total	8.18

₹ Crores

Year ended
31 March 2016
Note : 39**Earnings in foreign exchange**

FOB Value of Exports	182.11
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₹ Crores

Year ended
31 March 2016

Note : 40**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	0.43
- Later than one year and not later than five years	0.57
- Later than five years	-

- b. Lease payments recognised in the Statement of Profit and Loss for the period 0.46

In respect of a Subsidiary**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	3.11
- Later than one year and not later than five years	4.82
- Later than five years	-

- b. Lease interest recognised in the Statement of Profit and Loss for the period 0.49

Note : 41**Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges****Loans and advances in the nature of loan**

₹ Crores

Name of the Party	Investment	Amount outstanding as at 31 March 2016
Rane Foundation	Loan	-

Note : 42**Details on derivative instruments and unhedged foreign currency exposures**

I. The following derivative positions are open as at 31 March 2016.

- (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.

Outstanding forward exchange contracts entered into by the Company as on 31 March 2016

₹			
Currency	Buy/Sell	Amount	Cross Currency
JPY	Buy	82,233,155	₹

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

Nature of transactions	₹ Crores	
	As at 31 March 2016	
	Receivable/ (Payable)	Receivable/ (Payable)
	₹	Foreign Currency
Loan Payable - USD	(59.52)	-\$0.90
Receivables - USD	32.88	\$0.50
Receivables - EUR	1.91	€ 0.03
Loan Payable- EUR	(0.66)	-€ 0.01
Payables - USD	(5.84)	-\$0.09
Payables - EUR	(0.38)	-€ 0.01
Payables - GBP	(0.05)	-£0.00
Advances - USD	0.47	\$0.01
Advances - EUR	0.59	€ 0.01
Advances - GBP	0.06	£0.00

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

Note : 43**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	100.91%	160.62	111.21%	14.09
Foreign Subsidiaries				
Rane (Madras) International Holdings, B.V., the Netherlands	0.06%	0.10	-1.18%	(0.15)
Rane Precision Die Casting, Inc., United States of America	7.59%	12.08	-10.02%	(1.27)
Consolidation adjustments	-8.56%	(13.63)	-	-
Total	100.00%	159.17	100.00%	12.67

₹ Crores

Year ended
31 March 2016

Note : 44**Details of borrowing costs capitalised**

Borrowing costs capitalised during the year	
- Building	1.97
- Plant and Machinery	2.09
- Furniture	0.05
- Capital work in progress	-
Forex capitalization during the year	
- Plant and Machinery	0.38
- Capital work in progress	-
Total	4.49

Signature to Note 1 to 44

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

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
(Information in respect of each subsidiary to be presented with amounts in INR)**

₹ 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= ₹ 75.10		USD 1USD= ₹ 66.31	
		EUR	INR	USD	INR
4	Share capital	0.20	0.15	20.28	13.45
5	Reserves & surplus	(0.07)	(0.05)	(2.05)	(1.36)
6	Total assets	18.08	13.58	153.68	101.91
7	Total Liabilities	17.95	13.48	135.45	89.82
8	Investments	17.91	13.45	-	-
9	Turnover	-	-	43.21	29.17
10	Profit before taxation	(0.20)	(0.15)	(1.84)	(1.24)
11	Provision for taxation	-	-	0.04	0.03
12	Profit after taxation	(0.20)	(0.15)	(1.88)	(1.27)
13	Proposed Dividend	-	-	-	-
14	% of shareholding	100%	100%	100%	100%

For and on behalf of the Board of Directors

L Ganesh
Chairman

Harish Lakshman
Director

S Parthasarathy
Chief Executive Officer

J Radha
Chief Financial Officer

S Subha Shree
Company Secretary

Place : Chennai
Date : 20 May 2016

Our Parent Company

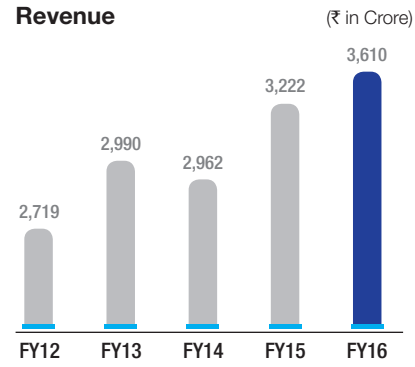
Rane Holdings Limited

Spanning a rich experience of eight decades, Rane group is amongst preferred suppliers, engaged mainly in manufacturing of auto components, to major OEMs in India and across the globe.

Through its 24 strategically located plants across India and USA, Rane group commands a sizable business in the replacement segment catering to well-diversified clientele in the automobile industry including Passenger Car, Light Commercial Vehicle, Medium & Heavy Commercial Vehicle, Two-wheeler, Three-wheeler, Multi Utility Vehicle and Farm Tractor.

Rane Holdings has an exposure in non-automotive portfolio for aerospace and defence via an associate company. Rane group maintains its operational excellence through total quality management (TQM), which is reflected by three Deming Grand Prizes and four Deming Prizes bestowed upon its group companies.

Revenue



Subsidiaries

Rane (Madras) Ltd.
- Rane (Madras) International Holdings B.V., The Netherlands
• Rane Precision Die Casting Inc., USA

Rane Engine Valve Ltd.

Rane Brake Lining Ltd.

Rane Holdings America Inc., USA

Joint Ventures

Rane TRW Steering Systems Pvt. Ltd.

Rane NSK Steering Systems Pvt. Ltd.

JMA Rane Marketing Ltd.

Associate

SasMos HET Technologies Ltd.





Expanding Horizons

Rane (Madras) Limited

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