

The background features a dark blue-grey gradient. Overlaid on this are several concentric circles of varying shades of blue and grey. A prominent white and light blue fan-like shape, composed of several overlapping curved segments, originates from the center and extends towards the top right. Faint dotted lines also form concentric circles across the page.

Dream. Design. Deliver.

Contents

Corporate Overview

The World of Rane (Madras)	02
Financial Highlights	04

Management Reports

Directors' Report	06
Management Discussion and Analysis	11
Report on Corporate Governance	27

Financial Statements

Standalone Financial Statement	56
Consolidated Financial Statement	102

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.

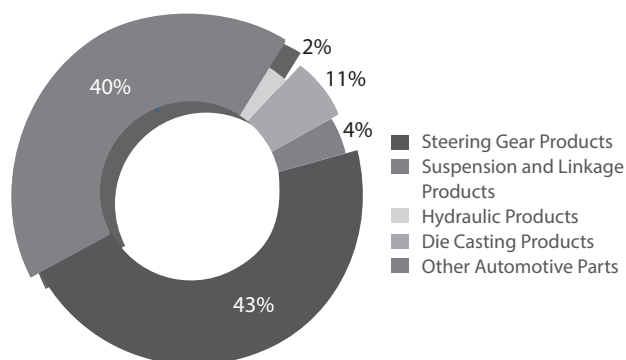
Manufacturing Plants

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

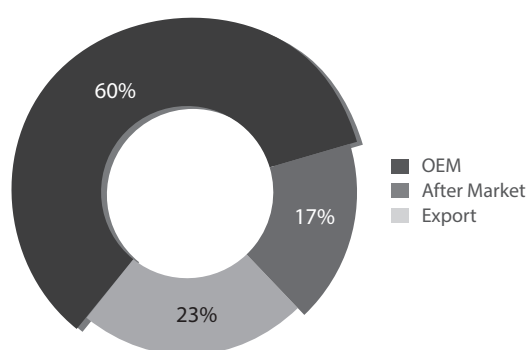
Quality Accreditation

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

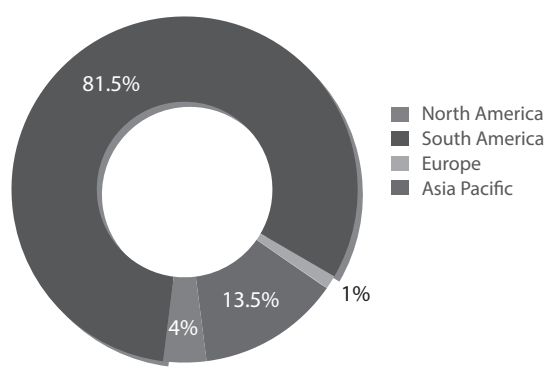
Revenue mix by product category (FY16)



Revenue mix by user segment (FY16)



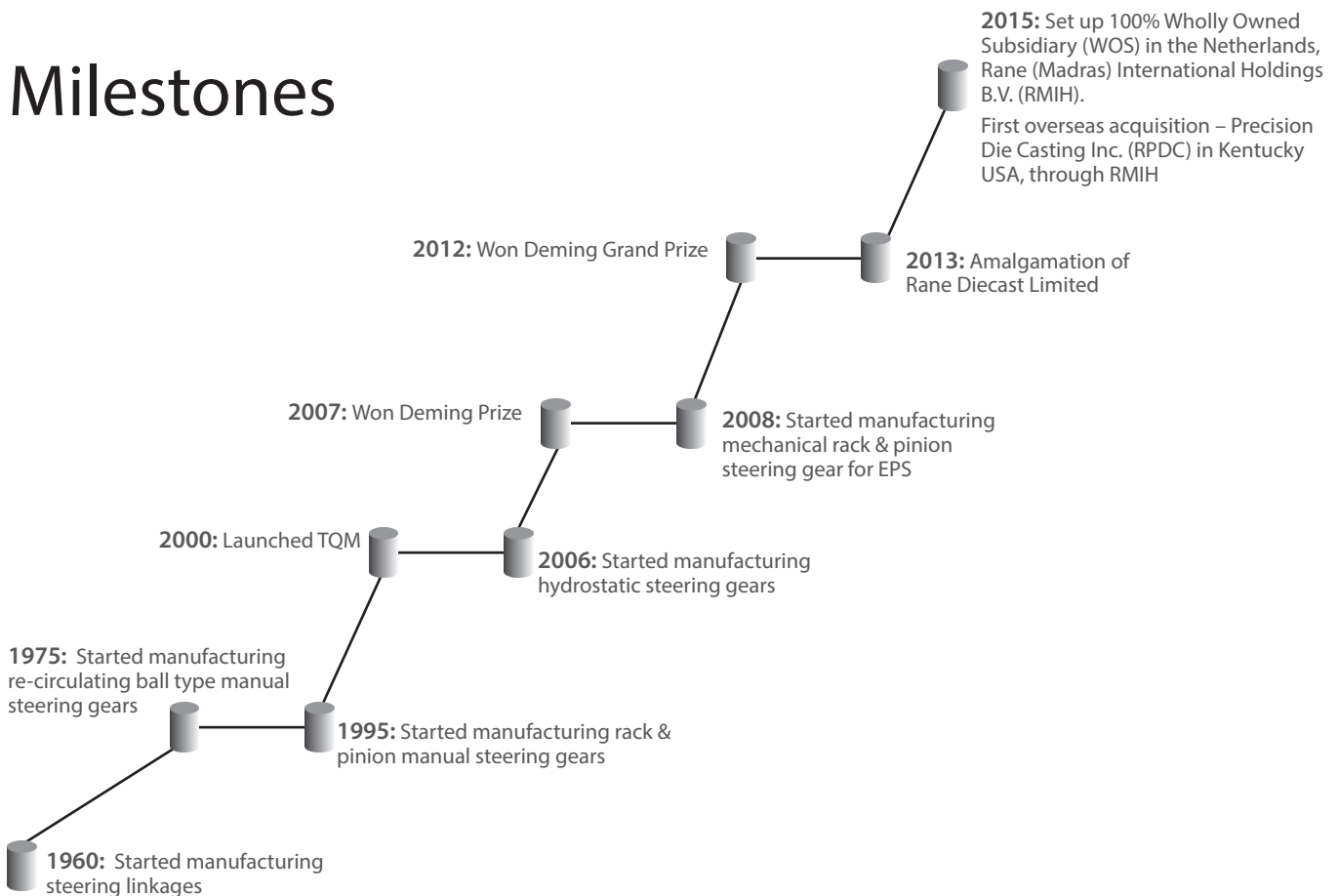
Export Revenue mix by geography (FY16)



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

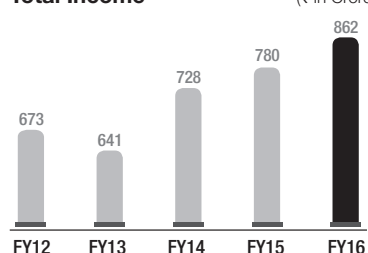
** Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only

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

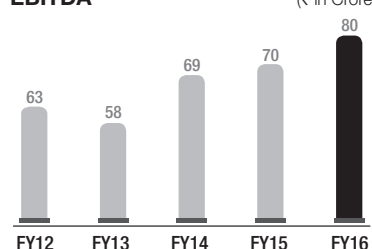
Total Income

(₹ in Crore)



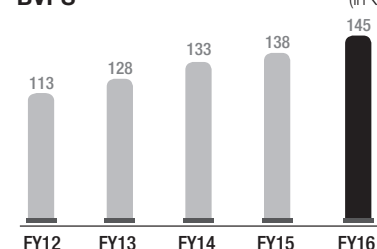
EBITDA

(₹ 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.