



Customer at the core

Rane (Madras) Limited
14th Annual Report 2017-18

Vision



Steering and Linkage 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

Our Product Portfolio



- Steering and Suspension Linkage Products
- Steering Gears
- Hydrostatic Steering Systems
- Die Casting

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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.



Customer at the core

The global automobile landscape continues to evolve at a very rapid pace. Some of the key propellants fuelling the shift are rapid technological advancement, frequent regulatory changes, evolving consumer preferences and multiplicity of urban transportation choices as well as several challenges on the way. Given the situation, there is an immense emphasis on technology and the advancements in manufacturing technology are geared towards emission reduction, light weighting, passenger and pedestrian safety, electrification and competitive pricing.

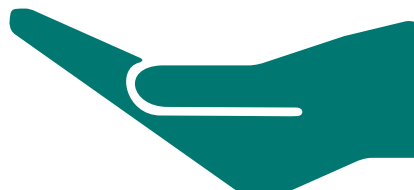
In addition, information technology, much like it steered mobile phone industry to smartphones, is geared up to steer automobile industry towards smart vehicles, thus, steadily leveraging and strengthening its prominence in vehicles. Going in sync with the present automobile landscape, even the regulators are striving to lessen traffic congestion, reduce vehicular emission and enhance road safety. To top it all, today's savvy consumers are demanding more from their vehicles across aesthetics, manoeuvrability, performance, upkeep, entertainment, convenience and connectivity.

The changing customer's preference has completely altered the paradigm and the players need to reinvent themselves time and again. Therefore, in order to protect their share and keep margins healthy, while making the most of the opportunity landscape, OEMs across the globe are required to be on their toes all the time. As a preferred supplier to most of these global OEMs, in India and elsewhere in the world, we, at Rane Group, keep our customers at the core of everything that we do everyday, at every single plant, across every single function. Thanks to our steadily maturing Business Excellence program, we are beginning to transcend the essential QCD (Quality, Cost, Delivery) assurance. Our R&D teams are diligently developing next-generation variants of our existing products with a view to make our customers succeed.

In addition, we are aggressively advancing the cause of light weighting, emission reduction and passenger safety for our customers with an aim to improve vehicular performance while addressing cost-effectiveness.

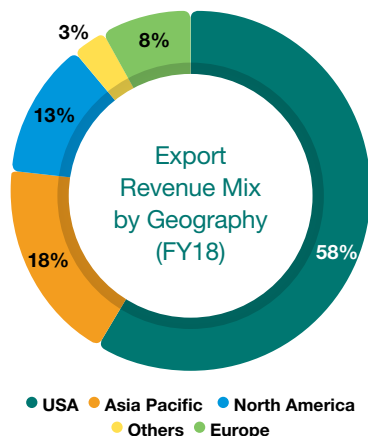
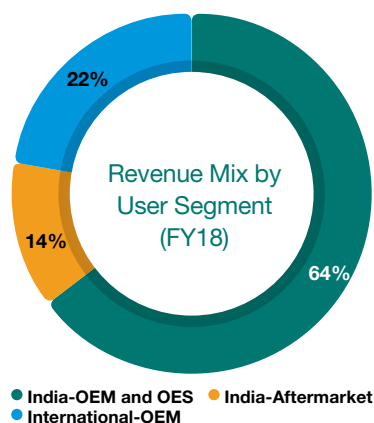
Experimenting and succeeding with an alternate material, going closer to the customer, staying lean and nimble in order to address varying batch sizes and speeds are some of the areas where Rane Group is lending a helping hand to its customers in scripting their success stories, thus, helping them in offering superior products to the end customer.

Furthermore, our customers' trust and confidence in brand 'Rane' continue to fortify and the same gets reflected in our consistent ahead-of-the-industry performance, multiple customer awards and recognitions year after year. At Rane Group, our goal to sustainable growth and profitability remains our priority and we always keep our '**Customer at the core**'.



The World of Rane (Madras)

Rane (Madras) Limited (RML) was established in 1929. Our Company is a market leader in the Steering and Linkages business which manufactures manual Steering Gears Products (SGP), Hydrostatic Steering Systems (HSS) & Steering and Suspension Linkage Products (SSLP). The Company had its first manufacturing presence in 1960 with the setting up of the Steering and Linkage Division (SLD) which was followed with the setting up of manufacturing facilities for the Die Casting Division (DCD) in 2006. The Die Casting division manufactures low porosity, high-quality aluminium die-castings such as steering housings and engine case covers. In 2016, Rane Madras Limited acquired the US-based Precision Die Casting Inc and renamed it as Rane Precision Die Casting Inc. (RPDC). RPDC now supplies complex, thin-walled, low porosity, cast and machined aluminum die castings to the automotive industry from its manufacturing facility at Russellville, Kentucky, US.



Key Customers



Manufacturing Plants

Locations	Products
Varanasi (Chennai)	SSLP, SGP
Mysuru	SSLP, SGP & HSS
Puducherry	SSLP, SGP
Uttarakhand	SSLP, SGP
Bollaram (Hyderabad)	Die Casting
Sadasivpet (Hyderabad)	Die Casting
Russellville, Kentucky (USA)	Die Casting

Quality Accreditation

ISO 27001:2013 - ISMS Certification	Information Security Management System for Steering & Linkage & Die Casting Division
TS 16949 Indian	Quality Management; All the six plants in India certified
ISO 14001	Environmental management; All the four plants of Steering and Linkage Division certified
OHSAS 18001	Occupational Health and Safety management: All the four plants of Steering and Linkage Division certified
Deming Prize	Steering and Linkage Division: Total Quality Management (TQM)
Deming Grand Prize	Steering and Linkage Division: Excellence in TQM

Standalone Financial Highlights

KEY PERFORMANCE HIGHLIGHTS

₹ in Crores

PARTICULARS	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
Total Income (*)	1,217.53	992.62	862.49	779.97	727.51	641.36	673.11	585.46	420.68	353.16
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)	139.49	99.38	79.70	69.67	69.16	57.84	62.98	50.39	34.84	19.25
Profit Before Tax (PBT)	60.18	26.29	18.66	16.84	19.68	30.06	37.17	30.83	20.04	1.20
Profit After Tax (PAT)	41.81	20.67	14.09	12.44	16.78	23.42	27.40	24.57	13.81	0.36
Return on Capital Employed (RoCE) %	17.83	11.88	9.90	10.61	15.83	17.28	23.70	26.90	19.05	7.54
Return on Net Worth (RoNW) %	19.12	12.76	9.46	8.71	12.41	19.11	25.65	27.14	17.99	0.50
Earnings Per Equity Share (₹)	37.61	19.66	12.77	11.20	15.35	23.04	26.95	24.18	13.59	0.36
Dividend (@) %	120.00	60.00	45.00	45.00	55.00	70.00	95.00	70.00	45.00	-
Dividend Payout ratio (@) %	40.13	36.71	40.45	45.82	40.17	35.44	40.95	33.73	38.74	-
Book Value Per Equity Share (₹)	229.53	162.65	144.98	138.43	133.41	127.97	113.20	96.99	81.12	69.94

BALANCE SHEET HIGHLIGHTS**

₹ in Crores

PARTICULARS	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	11.61	10.51	10.51	10.51	10.51	10.16	10.16	10.16
Shareholders' Funds	266.43	170.95	160.62	153.73	148.45	130.07	115.06	98.58
Non-Current Liabilities	130.37	140.05	139.67	62.97	49.90	40.79	50.19	47.61
Current Liabilities	445.69	379.53	312.66	317.33	256.27	190.23	175.78	131.65
Non-Current Assets	406.07	389.51	343.46	300.59	245.12	179.09	165.52	124.41
Current Assets	436.42	301.02	269.49	233.44	209.51	182.00	175.51	153.43

* Total Income are net of excise duty.

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

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

Note: 1. Figures for FY 18 and FY 17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.

2. EBITDA, PBT and PAT are inclusive of exceptional items, if any, for the respective financial years.

Business Highlights

Steering & Linkage Division (SLD)

- The Steering and Linkage business registered a good growth in all vehicle segments. The growth was supported by growth in Passenger Vehicle segment & supply for new businesses for Rack & Pinion Steering gears.
- Business had favourable growth in M&HCV segment through share of business increase in existing models and also supply for new models.
- In the Farm Tractor segment, the business, not only enhanced its market share on manual steering gears, but also made good breakthroughs in the Hydraulic business with customers and new models.

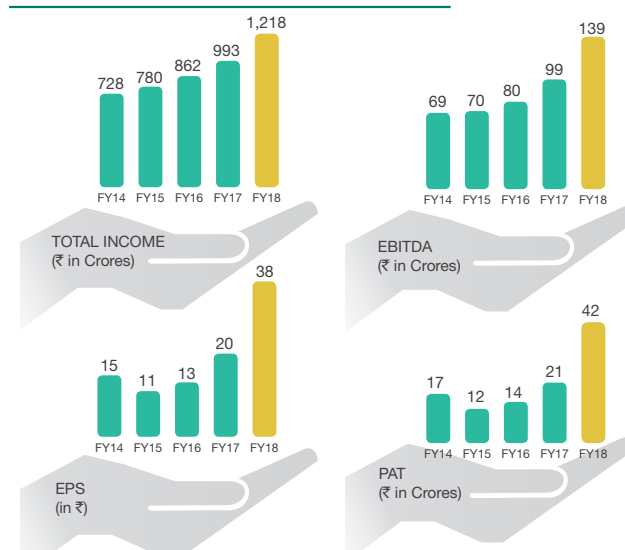
Die Casting Division (DCD)

- Improved operational performance of Die Casting business despite marginal decline in revenue because of lower offtake by International customers.

Rane Precision Die Casting (RPDC)

- The turnaround plan of the overseas subsidiary, RPDC, is work in progress with key emphasis on operations improvement.

Key Performance Indicators



Awards & Accolades

- Received System Audit award from Maruti Suzuki India Limited
- Received NPD award from SML ISUZU Limited

Chairman's Letter



The consolidated revenue increased to ₹ 1349 crores – a 17% y-o-y jump. The EBITDA grew by 35% to ₹ 135 crores.

Dear Shareholders,

In 2017, the world economy grew at 3.8%, the fastest since 2011 after a period of 6 years of lackluster growth. At domestic front, the rollout of uniform Goods and Services Tax (GST) created some disruption and India's growth moderated to 6.6% in FY18. However, the automotive industry witnessed growth across all vehicle segments.

The consolidated revenue increased to ₹ 1349 crores – a 17% y-o-y jump. The EBITDA grew by 35% to ₹ 135 crores. The revenue growth was supported primarily by robust growth in India across product segments. The order book of die casting businesses in India and US are still not healthy. The management is focusing on new business development which hopefully will improve the capacity utilization of die casting business in the coming years.

Operationally, maintained healthy capacity utilization as plants sustained higher production to meet increased demand for Steering products. We focused on lean and cost optimisation measures to boost productivity and reduce manpower and other costs. Your Company was able to optimize the capex in FY18 with continuous evaluation of in-house vs outsourcing decision. Our R&D facilities were upgraded to meet the new product requirements of customers. Another initiative was the implementation of PLM (Product Lifecycle Management) to enhance the potency of all the new product developments.

IMF estimates that Indian GDP growth would rebound to 7.4% in FY19. Combine this with solid demand cogs like higher disposable income levels, favourable demographics, easy finance options availability; top it with government initiatives like 'Make in India', NATRiP (National Automotive Testing and R&D Infrastructure Project), AMP 2026 (Automotive Mission Plan 2016-26), we have favourable growth opportunity awaiting us and we are confident that RML would be marching ahead towards its vision of the decade of profitable growth.

On behalf of the entire Board of Rane (Madras) Limited, I thank all our stakeholders – Customers, Employees, Partners, Vendors, Investors, Bankers, Government, Communities and most importantly you – our shareholders, who have entrusted immense trust in us, throughout this eventful journey.

Yours Sincerely,

L Ganesh
Chairman

Corporate Information

Board of Directors

Mr. L Ganesh, Chairman
 Mr. Harish Lakshman, Vice Chairman
 Ms. Anita Ramachandran
 Mr. L Lakshman
 Mr. M Lakshminarayan
 Mr. Pradip Kumar Bishnoi

Audit Committee

Mr. M Lakshminarayan, *Chairman*
 Mr. L Lakshman
 Mr. Pradip Kumar Bishnoi

Stakeholders' Relationship Committee

Mr. L Lakshman, *Chairman*
 Mr. Harish Lakshman
 Ms. Anita Ramachandran

Nomination and Remuneration Committee

Mr. M Lakshminarayan, *Chairman*
 Ms. Anita Ramachandran
 Mr. L Ganesh
 Mr. L Lakshman

Corporate Social Responsibility Committee

Mr. L Lakshman, *Chairman*
 Ms. Anita Ramachandran
 Mr. L Ganesh

Chief Executive Officer

Mr. S Parthasarathy

Vice-President Finance/Chief Financial Officer

Ms. J Radha

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-600017

Secretarial Auditors

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

Registered Office

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

Listing of Shares on

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

Bankers

Canara Bank, Chennai - 600 002
 DBS Bank Limited, Chennai - 600 002
 HDFC Bank Limited, Chennai - 600 002
 IDBI Bank Limited, Chennai - 600 015
 ICICI Bank, Chennai - 600 018
 Kotak Mahindra Bank Limited, Chennai - 600 002
 Standard Chartered Bank, Chennai - 600 001
 YES Bank Limited, Chennai - 600 002

Head Office

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

Plants

1. 79/84, Hootagally Industrial Area
Mysuru - 570 018, Karnataka
2. 77, Thirubuvanai Main Road
Thirubuvanai Village, Puducherry - 605 107
3. Ambakkam, Varanavasi Village
Varanavasi Post, Kancheepuram - 631 604, Tamil Nadu
4. Plot No. 27, Sector 11, Integral Industrial Estate
Pant Nagar, 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 and Transfer Agent

Integrated Registry Management Services Private Limited
 II Floor, "Kences Towers",
 No 1 Ramakrishna Street, North Usman Road,
 T Nagar, Chennai 600 017
 E-mail: corperserv@integratedindia.in
 Website: www.integratedindia.in

REPORT OF THE BOARD OF DIRECTORS

Your Directors have pleasure in presenting their Fourteenth Annual Report together with the accounts for the year ended 31 March, 2018 and other prescribed particulars:

1. State of Company's affairs

1.1 Financial Performance

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

(₹ in crores)

Particulars	2017-18	2016-17**
Sales and Operating Revenues (net of Excise duty)	1211.89	989.27
Other Income	5.64	3.35
Profit Before Tax (PBT)	60.18	26.29
Provision for tax :		
Current	18.33	5.61
Deferred	0.04	1.48
MAT Credit availed	-	(1.46)
Profit After Tax (PAT)	41.81	20.66
Surplus brought forward	24.78	7.25
Amount transferred to Capital Redemption Reserve (CRR)	8.23	-
Amount available for appropriation	57.85	27.30

** Previous year's numbers has been restated as per Ind AS.

Key performance indicators, operational performance and balance sheet summary are furnished in page no. 03 of this annual report.

In the preparation of the financial statements for the financial year 2017-18, the Company has adopted Ind AS and the transition date is 01 April, 2016.

The Company recorded a turnover of ₹ 1,005.29 crores from its steering and linkage products, showing an increase of 28% over previous year. The company achieved a turnover of ₹ 126.62 crores from die casting business, recording 3% decrease over previous year. The Company also achieved a turnover of ₹ 40.69 crores from its auto parts division. The total turnover of the company was ₹ 1,172.60 crores, registering an overall growth of 23% over the previous year.

On a stand-alone basis, the revenue from operations for the financial year 2017-18 was ₹ 1,211.89 crores, which is higher by 23% over the last year ₹ 989.27 crores.

The profit before tax of the Company was ₹ 60.18 crores, representing 5% of the turnover. Earnings per share for the year 2017-18 was ₹ 37.61 as against ₹ 19.66 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.

1.2 Overseas Subsidiaries

Rane Precision Die Casting Inc., USA (RPDC), is engaged in the business of manufacturing high pressure aluminium die casting for automotive applications like steering and compressor related die casting components. During the financial year 2017-18, RPDC recorded a turnover of ₹185.87 crores from its operations.

This investment is held through Rane (Madras) International Holdings, B.V., The Netherlands, a Wholly Owned Subsidiary of the Company ('RMIH' / 'WOS'), incorporated to hold strategic overseas investments of the Company. The WOS has till 31 March, 2018 invested USD 4.70 million into the equity capital of RPDC.

As on 31 March, 2018, the Company had issued corporate guarantee to EXIM Bank for USD 2.1 Million and USD 4.8 Million against the lending of EXIM Bank to RPDC and RMIH respectively.

1.3 Changes in Share Capital

1.3.1 Redemption of Preference Shares

The Company had, on 21 September, 2017, redeemed out of profits of the Company, the entire 82,32,164 fully paid-up 6.74%

Cumulative Redeemable Preference Shares (CRPS) of ₹10/- each amounting to ₹8.23 crores, issued to Rane Holdings Limited (RHL / Holding Company) at par.

1.3.2 Preferential Allotment of Equity Shares & Convertible Warrants

During the year 2017-18, the Company had issued and allotted 10,96,892 equity shares and 3,65,630 warrants, by way of preferential allotment to the promoter Rane Holdings Limited (RHL) for a total cash consideration ₹ 65 crores. The equity shares rank *pari passu* with existing shares and are also listed on the stock exchanges viz., BSE Limited and National Stock Exchange of India Limited, effective 06 October, 2017 and 09 October 2017, respectively. The warrants are convertible into equivalent equity shares within a period of 18 months from the date of allotment i.e on or before 11 March, 2019. On exercise of the warrants by Rane Holdings Limited, the Company will receive balance amount of ₹ 14.99 crores, towards the warrant exercise price. The objects of the preferential issue of equity shares and convertible warrants to RHL was to raise funds for the purpose of meeting the working capital requirements and repayment of debts.

1.4 Appropriation

During the year 2017-18, the board of directors declared an interim dividend at the rate of 45% (i.e., ₹4.50 per equity share of ₹10/- each, fully paid-up) and the same was paid on 13 February, 2018 to all the eligible shareholders whose name appeared in the register of members of the Company as on 03 February, 2018, being the Record Date fixed for this purpose.

The board of directors of the Company at the meeting held on 30 April, 2018 have considered and recommended a final dividend of 75% (i.e., ₹ 7.50/- per equity share of ₹10/- each fully paid-up) for approval of the shareholders at the ensuing 14th AGM to be held on 25 July, 2018.

The profit available for appropriation is ₹59.42 crores. During the year, the Board has declared an interim dividend on the Cumulative Redeemable Preference Shares at the rate of 6.74% per annum for the year 2017-18, on a pro-rata basis up to the date of redemption i.e. 21 September, 2017.

The total final dividend amount on equity shares inclusive of distribution tax and surcharge thereon would be ₹10.49 crores. The final dividend, if declared by the shareholders, will be paid on 01 August, 2018 to all the eligible shareholders whose name appears in the register of members of the Company as on 18 July, 2018, being the Record Date fixed for this purpose.

₹27.62 crores has been retained as surplus in the profit and loss account after transferring ₹24.64 crores to the general reserves.

1.5 Management Discussion & Analysis

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

1.6 Consolidated Financial Statements

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

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

2. Board of Directors

2.1 Composition

The composition of the Board of Directors of the Company is furnished in the Corporate Governance Report annexed to this report.

During the year, Dr. Tridibesh Mukherjee (DIN : 00004777), Independent Director, in view of his attaining the age of retirement as per policy of the Company, ceased to be a director with effect from the conclusion of the 13th AGM held on 24 August, 2017. Based on the recommendations of the Nomination and Remuneration Committee and Board of Directors, Mr. M Lakshminarayan (DIN : 00064750) and Ms. Anita Ramachandran (DIN : 00118188) were re-appointed as Independent Directors by the shareholders at the 13th AGM for a second term. Further, Mr. P.K. Bishnoi (DIN : 00732640) was appointed as Independent Director by the shareholders at the 13th AGM for a term to hold office upto 23 October, 2021 or conclusion of 17th AGM, whichever is earlier.

The terms and conditions of appointment of independent directors have been disclosed on the website of the Company and available at http://ranegroup.com/rml_investors/terms-of-appointment-of-independent-directors/

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 14th 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 14th 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 any two consecutive meetings was less than 120 days.

2.4 Meeting of Independent Directors

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

3. Board and Management

3.1 Board evaluation

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

The criteria for evaluation of board and its committees were founded on the structure, composition, board-management relationship, effectiveness in terms of roles and responsibilities and processes encompassing the information flow and functioning. The guiding standards for the assessment of performance of directors (including the independent directors) were founded on aspects relating to their group dynamics, competency and commitment to the success of the Company.

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 laid down under each of the criteria are

comprehensive and commensurate with the size of the board and the Company. The Nomination and Remuneration Committee, reviews and makes recommendation to the board, from time to time, for ensuring an optimum composition of the Board and its Committees, induction of directors into the Board, participation on the Board effectiveness and evaluation process. The outcome of the evaluation also forms the basis for the Nomination and Remuneration Committee while considering re-appointments of Directors and appointment in various Committee of the Board.

3.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarization programmes to independent directors are available at http://ranegroup.com/rml_investors/familiarisation-programme-for-independent-directors/

3.3 Key Managerial Personnel

Mr. S Parthasarathy, Chief Executive Officer (CEO), Ms. J Radha, Vice President-Finance & Chief Financial Officer (CFO) and Ms. S Subha Shree, Secretary, hold the office of Key Managerial Personnel, respectively within the meaning of Section 2(51) of the Companies Act, 2013. During the year there was no change in the Key Managerial Personnel (KMP).

3.4 Remuneration policy

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

Pursuant to approval accorded by the shareholders at the 11th AGM held on 31 July, 2015, Mr. L Ganesh, Chairman (Non-Executive) has been receiving commission up to 2% of the net profits of the Company for a period commencing from 01 April, 2015. The Nomination and Remuneration Committee at its meeting held on 30 April, 2018 has recommended payment of ₹ 1,23,53,000/- as commission for the financial year 2017-18 to Mr. L Ganesh, Chairman. Based on the recommendations of the NRC, the Board of Directors propose payment of commission of up to 2% of net profits for a further period of three years commencing from 01 April 2018, subject to the approval of the shareholders at the ensuing 14th AGM 2018 in accordance with Section 197, 198 and other applicable provisions of the Companies Act 2013.

The details of remuneration paid / payable to the directors during the financial year 2017-18, is furnished in the Corporate Governance report annexed to this Report of the Board of Directors.

4. Audit

4.1 Audit Committee

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