

# ***RENOLD***

Renold Chain India Private Limited  
13<sup>th</sup> Annual Report

# **Re-engineering our future.**



## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

S Ramachandran

Michael Peter Wallwork

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### CHIEF FINANCIAL OFFICER

Rakesh Kailash Sharma

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### COMPANY SECRETARY

T Vinothkumar

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### AUDITORS

Deloitte Haskin & Sells LLP

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### BANKERS

The Federal Bank Limited

State Bank of India

HDFC Bank Limited

HSBC Limited

Punjab National Bank

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### REGISTERED OFFICE

SF 568/1A, 569/1&2, D. Gudalur Post

Guziliamparai Taluk

Dindigul 624 620

CIN: U27109TZ2008FTC017737

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### 13<sup>TH</sup> ANNUAL GENERAL MEETING

**DATE** : 29.09.2021

**DAY** : Wednesday

**TIME** : 14:30 Hrs

**VENUE** : Renold Chain India Private Limited  
D. Gudalur, Guziliamparai Taluk  
Dindigul 624620

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## Renold Chain India at a Glance

### Who we are

Renold India manufactures and sells Transmission and conveyor chains which caters the need of the sectors which includes textiles, railways, food, cement, oil, agricultural, sugar etc.

Renold India is a part of Renold Group. Its equity share capital is held by Renold International Holding Limited, UK (ultimately held by Renold Plc UK) and Renold PLC, U.K. Renold India is a wholly owned subsidiary of Renold PLC.

Renold Plc, UK is an international engineering group and produces a wide range of precision engineering products. It is engaged in the manufacture and sale of industrial chains and torque transmission products.

Renold India is uniquely positioned to offer global experience and local expertise to meet the demands of the Indian market for technically superior products at competitive prices.

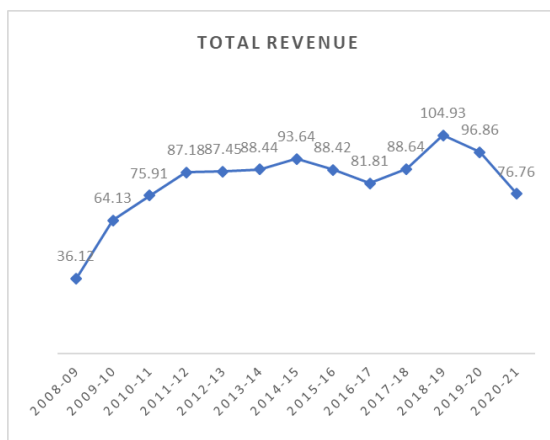
### What we do

We work closely alongside our customers to design and manufacture industrial chains and provide solution to specific application needs. Our solution delivers excellent fatigue life, consistent reliability and long life demanding industrial applications. We are committed to focus on improving existing or developing new ways of doing business that will reduce our environmental foot print and increase our positive social impact.

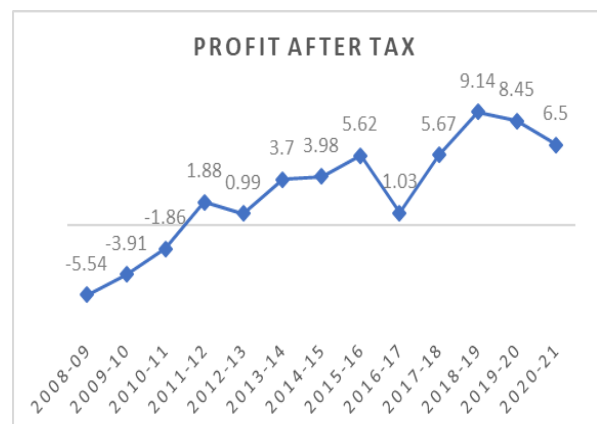
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## FINANCIAL HIGHLIGHTS

### Total Revenue (Net) – Rs. In Crores



### Profit After Tax (PAT) – Rs. In Crores



## **NOTICE**

**NOTICE** is hereby given that the **13<sup>th</sup> Annual General Meeting** of the Company will be held at shorter notice on Wednesday 2021, the 29<sup>th</sup> day of September 2021 at 14:30 Hrs IST at the Registered Office of the Company at 568/1A, 569/1&2, D.Gudalur Post, Guziliamparai Taluk, Dindigul District – 624 620, Tamilnadu to transact the following businesses:

### **ORDINARY BUSINESS**

#### **Item No. 1 – Adoption of Audited Financial Statements**

To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31<sup>st</sup> March, 2021 together with the reports of the Board of Directors and Auditors thereon.

### **SPECIAL BUSINESS**

#### **Item No 2 – Appointment of Mr James Robert Haughey as a Director**

To Consider and thought fit, to pass the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** Pursuant to the provisions of section 152 and other applicable provisions of the Companies Act, 2013 Mr James Robert Haughey (DIN No 09321105), who was proposed and recommended by the Board of Directors to be appointed as a Director of the Company is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from him under Section 160 of the Companies Act, 2013 proposing his candidature for the office of the Director of the Company, be and is hereby appointed as a Director of the Company”

### **NOTES:**

1. A member entitled to attend and vote at the annual general meeting (“the meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. A blank proxy form for the AGM is enclosed herewith. The instrument appointing the proxy should, however, be deposited at the registered office of the company or at the Venue of the Meeting before the scheduled time of the commencement of the meeting.
2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send the company a certified copy of the board resolution authorizing their representative to attend and vote on their behalf at the meeting.
3. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to item no 3 forms part of this notice.
4. Shareholders/proxies /authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the Annual General Meeting.
5. Pursuant to Section 101 of the Companies Act, 2013, shareholders have to submit consent to hold the Annual General Meeting at a shorter notice. Format of consent for shorter notice is annexed herewith and forms a part of this notice. Shareholders/authorized representatives

are requested to submit the duly filled consent for shorter notice prior to the date of the Annual General Meeting.

Date: 27.09.2021  
Place: Dindigul

By Order of the Board of Directors

S. Ramachandran  
Managing Director  
DIN No 03535894

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013**

The following statement sets out all material facts relating to item No 2 mentioned in the accompanying Notice.

### **Item No 2:**

#### **Appointment of Mr James Robert Haughey as a Director of the Company:**

The Board of Directors proposed and recommended Mr James Robert Haughey as a (Non-Executive) Director of the Company to its Members. Pursuant to Section 152 of the Companies Act and Articles of Association of the Company, Mr James Robert Haughey be and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Companies Act, 2013, received, in writing, a notice from him proposing his candidature for the Office of the Director.

The Company has received from Mr James Robert Haughey (i) Consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act 2013.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr James Robert Haughey, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No 2 of this Notice.

The Board recommends the resolution set forth in item No 2 for the approval of the Members.

Date: 27.09.2021  
Place: Dindigul

By Order of the Board of Directors

S. Ramachandran  
Managing Director  
DIN No 03535894

## DIRECTORS' REPORT

### Dear shareholders

Your Directors take pleasure in presenting the 13<sup>th</sup> Annual Report of your Company together with the audited accounts for the year ended 31<sup>st</sup> March 2021.

## COMPANY SPECIFIC INFORMATION

### FINANCIAL RESULTS

The Summary of the financial performance of the company for the year ended 31<sup>st</sup> March 2021 as compared to the previous year is as below:

*All amounts are in thousands of Indian Rupees*

Particulars	31-03-2021	31-03-2020
Total Revenue	7,67,636	9,74,290
Profit before interest, depreciation & tax	1,11,145	1,36,796
Less: Depreciation and amortization Expenses	23,719	23,195
Less: Finance Cost	307	1,956
<b>Profit Before Tax</b>	<b>87,119</b>	<b>1,11,645</b>
<b>Less: Tax Expenses</b>		
(a) Current Tax	22,256	28,837
(b) Deferred Tax	(150)	(1,757)
Other comprehensive income	922	(1,052)
<b>Profit after Tax &amp; comprehensive income</b>	<b>65,935</b>	<b>83,513</b>
<b>Earnings per Equity Share (face value of share Rs.10)</b>	<b>2.11</b>	<b>2.75</b>

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Total Revenue from operations decreased to Rs 76.76 Crores as against Rs. 97.42 Crores in the previous year, decline of 21%.

The Profit after tax for the current year is Rs.6.59 Crores as against Rs.8.35 Crores in the previous year. The performance of the Company during the year has been discussed and your Directors are confident of achieving better working results in the years to come.



## **IMPACT OF COVID 19**

During the fiscal year 2020, when the COVID 19 Pandemic first out broke, Renold India swiftly reacted to the workforce by providing required support and set up a core team (Renold Covid Task Force Team) to monitor the situation closely and had constant touch with local authorities. The entire world had slowed down the economy. There were also restrictions varying extent across all over the world due to COVID 19 Pandemic. This impacted the business operations and the company resumed its manufacturing operations after getting necessary approvals and requisite permissions from the State Government Authorities during the lockdown period by following the standard operating Procedures.

The top most priority of the company is to ensure the safety of its employees. The company has taken several steps to ensure their well-being and enabled them to work from home. All medical treatments of employee are covered under employee insurance.

Comprehending the importance of role played by vaccines in our fight against Corona Virus, the company has been working very closely with Local Government authorities and medical experts to put together various frameworks for the immunization drive to encourage employees and family members to get vaccinated.

## **TRANSFER OF PROFIT TO RESERVES**

The Board of Directors has decided to retain the profit in the Profit and Loss Account and hence no amount has been transferred to reserves.

## **DIVIDEND**

During the year, under review, the Board of Directors of the Company at their meeting held on 16<sup>th</sup> March 2021 has declared an interim dividend of INR.5.58/- per Equity share amounting to INR.17,16,84,581/- (Rupees Seventeen Crores Sixteen Lakhs Eighty Four Thousand Five Hundred and Eighty One) and was paid to its shareholder during the month of March 2021.

Pursuant to the Finance Act, 2020, the dividend income is taxable in the hands of the Shareholders with effective from April 01, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961. Interim dividend pay-out for fiscal 2020 includes Dividend Distribution Tax.

Considering the continuous investments in capital expenditure which has been estimated for the financial year 2021-22, your Directors regret their inability to recommend the final dividend for the financial year 2020-21.

#### **CAPITAL EXPENDITURE ON TANGIBLE ASSETS**

During the year, under the review, additions to the tangible assets was ₹.1.57 Crores. This comprises ₹.0.0306 crore in infrastructure, ₹.0.0165 crore in Computer Software ₹.0.179 crore in tools and ₹.1.35crores in Plant and Machinery.

#### **MATERIAL CHANGES AFFECTING THE COMPANY**

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year 2020-21 and the date of this report.

#### **CHANGE IN NATURE OF BUSINESS**

There has been no change in the nature of business of the Company.

#### **MIGRATION OF ERP**

At present, the company operates in SAP, an ERP system wherein all of its accounting records are stored in electronic form. Renold group wants to have a common ERP platform across all of its group companies. Hence, it has been decided to migrate from SAP to M3 software and the migration project was started during the financial year 2018-19. However due to outbreak of Covid 19, the project is put on hold and it is expected to be completed on (or) before 31<sup>st</sup> March 2023.

#### **GENERAL INFORMATION**

##### **QUALITY**

The company continues to attach great importance in the Quality of its products and its pursuit for perfection in its direction is an ongoing process. The company is aware of the need to globalize its business and as an integral part of its goal, concentrates its efforts towards conducting training programme on quality aspects for personnel from various departments of the company, thereby enabling the company to conform to international standards and making its product readily acceptable in the International Markets.

##### **INDUSTRIAL RELATIONS**

Your Company has always considered its workforce as its valuable asset and continues to invest in their excellence and development programs. Your company has taken several initiatives for enhancing employee engagement and satisfaction. Your Company has successfully entered into the

wage settlement with Worker's Representatives of confirm operators on 24<sup>th</sup> February 2021 for a period of 4 Years.

## **CAPITAL AND DEBT STRUCTURE**

### **SHARE CAPITAL**

The Authorised Share capital of the Company as at 31<sup>st</sup> March 2021 was Rs 41 Crores comprising of 4,10,00,000 equity shares of ₹.10/- each. The issued, subscribed and paid up share capital of the company as at 31st March, 2021 stood at Rs.30.75 Crores comprising of 3,07,50,000 equity shares of ₹10/- each . During the year under review the company has not made any fresh issue of shares.

There was no public issue, right issue, bonus issue or preferential issue, etc. during the year under review. The company has not issued shares with differential voting rights, sweat equity shares, neither has it granted any employee stock option nor issued any convertible securities.

## **MANAGEMENT**

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Cessation**

1. During the year, under review Mr Ian Lloyds Scapens, resigned as a Director of the Company with effect from 15.06.2020.

During his association with the Company, his contribution to the Board has been immensely valuable. The Board places on record its appreciation for his inspiring guidance and his outstanding contribution to improve the overall functioning of the Company.

2. During the year, under review Mr Simon Peter Venables, resigned as a Director of the Company with effect from 02.02.2021.

During his association with the Company, his contribution to the Board has been immensely valuable. The Board places on record its appreciation for his inspiring guidance and his outstanding contribution to improve the overall functioning of the Company.

#### **Key Managerial Personnel**

Mr S Ramachandran, Managing Director, Mr. Rakesh Kailash Sharma, Chief Financial Officer and Mr T Vinothkumar Company Secretary are the Key Managerial Personnel of the Company in accordance with the provision of sections 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

## **DECLARATION OF INDEPENDENT DIRECTORS**

Being a Private Limited Company Provisions of Section 149 pertaining to the appointment of Independent Directors does not apply to our company.

## **BOARD MEETING**

The Company had conducted 7 Board Meetings during the financial year and the date on which the Board Meetings were conducted is given below.

The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

<b>S. No</b>	<b>Date of Board Meeting</b>	<b>Venue of Board Meeting</b>
1	27.04.2020	Manchester, United Kingdom
2	24.06.2020	Registered Office
3	04.08.2020	Registered office
4	17.09.2020	Registered Office
5	16.11.2020	Registered Office
6	05.01.2021	Registered Office
7	16.03.2021	Registered Office

During the year, Directors were physically present in the Meeting dated 27.04.2020, all other Meetings other than Meeting held at UK, were held through video conference mode. However, the Managing Director of the Company has attended the Meeting from the Registered office of the Company through Video Conference mode.

## **COMMITTEES**

### **NOMINATION AND REMUNERATION COMMITTEE**

Being a Private Limited Company, the provisions of Section 178 (1) relating to constitution of Nomination and Remuneration committee are not applicable to the Company and hence the company has not devised any policy relating to appointment of directors, payment of Managerial Remuneration, Directors Qualification, positive attributes, independence of Directors and other related matters as provided under section 178 (3) of the Companies Act, 2013.

None of the employees is in receipt of remuneration of Rupees Eight Lakhs Fifty Thousand per month and Rupees One Crore Two Lakhs per annum during the financial year under review.

### **AUDIT COMMITTEE AND VIGIL MECHANISM**

The provisions of section 177(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its powers) Rules, 2014 is not applicable to the Company. The provisions of section 177 (9) relating to establishment of vigil mechanism is not applicable to the company.

Pursuant to Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of Board and its powers) Rules, 2014, we nominate Mr S Ramachandran to play the role of Audit Committee for the purpose of Vigil Mechanism to whom other directors and employees may report their concerns.

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

As on 31<sup>st</sup> March 2021, the CSR Committee comprises of following Members:

<b>S.No</b>	<b>Name</b>	<b>Designation in the Company</b>	<b>Status in the Committee</b>
1	S Ramachandran	Managing Director	Chairman
2	Michael Peter Wallwork	Director	Member

The Company had conducted 4 CSR Committee Meetings during the financial year and the date on which the CSR Meetings were conducted is given below.

<b>S.No</b>	<b>Date of CSR Committee Meeting</b>	<b>Venue of CSR Committee Meeting</b>
1	27.04.2020	Manchester, United Kingdom
2	24.06.2020	Registered Office
3	04.01.2021	Registered office
4	16.03.2021	Registered office

During the year, Meetings were held both in physical and through video conference mode

### **EVALUATION OF BOARD'S PERFORMANCE**

Section 134 (3) (p) of the Companies Act, 2013 as well as Rule 8 (4) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 in relation to the audited financial statements of the Company for the year ended 31<sup>st</sup> March 2021, the Board of Directors hereby confirms that:

- i. In the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable accounting standards had been followed with proper explanation relating to material departures;
- ii. The Directors has selected such accounting policies have been selected and applied them consistently and made judgements and estimates that are 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 year and of the profit and loss of the company for that period;
- iii. Directors 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 and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the annual accounts on a going concern basis;
- v. The Directors has devised Proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- vi. The Directors has laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.

#### **ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has implemented and evaluated the Internal Financial Controls which provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes and policies, safeguarding of assets, prevention and detection of frauds, accuracy and completeness of accounting records.

The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3) (i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

#### **FRAUDS REPORTED BY AUDITORS**

Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143 (12) of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

### **DISCLOSURES RELATING TO SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES COMPANIES**

During the year under review none of the company became the subsidiary or joint venture or an associate company of your company and vice versa.

### **REPORT OF FINANCIAL POSITION OF EACH OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

Pursuant to the Companies (Accounts) Rules, 2014 the company neither has any subsidiaries, Associates nor has entered into any form of joint venture for the relevant year.

### **DETAILS OF DEPOSITS**

During the year under review, your company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for time being in force) and as such, no amount of Principal or interest was outstanding as of the Balance sheet date.

During under the review, your Company has not received any amount as deposits from any of the Director of the Company or relative of the Director of the Company.

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

There were no loans and no guarantees were given by the Company as mentioned under section 186 of the Companies Act, 2013 during the financial year 2020-21.

The company has not made any investments during the year under review and the investments made in earlier years has been disclosed under the relevant notes to the financial statements.

### **RELATED PARTY TRANSACTIONS**

Details of the transactions with Related Parties are provided in the accompanying financial statements. There were no transactions during the year which would require to be reported in Form AOC.2.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Company is bound to spend INR 22.47 Lakhs towards Corporate Social Responsibility activities during the financial year 2020-21 and against which the company has spent INR 22.70 Lakhs.

The Company's CSR policy statement and annual report on CSR activities undertaken during the financial year ended 31st March 2021, in accordance with section 135 of the Companies Act, 2013 and companies (Corporate Social Responsibility policy) Rules, 2014 is annexed to this report as **Annexure B**.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

We continue with our initiatives to save energy wherever possible.

### **Energy Conservation**

Your Company continues to give priority to conservation of energy on an ongoing basis. This includes reviewing the running time of the production equipment to avoid waste and minimizing the diesel generator sets wherever possible.

### **Technology Absorption**

There is ongoing technology absorption towards development in increasing the resistance of chain, upgradation of design and development with upgraded software.

### **Research and Development**

Your company continues to accord top priority to research and development activity which is a continuous ongoing process.

### **Foreign Exchange Earning and Outgo**

- |     |  |                    |
|-----|--|--------------------|
| I.  | Foreign Exchange earned during the year amounts to | : Rs. 19,51,71,070 |
| II. | Foreign Exchange used                              | : Rs. 13,61,27,670 |

## **RISK MANAGEMENT POLICY**

The Company has a well-defined process to ensure risks are identified and steps to treat them are put in place at the right level in the management. The operating managers are responsible for identifying and putting in place mitigation plan for operational and process risks. Key strategic and business risks are identified and managed by the senior leadership team in the organisation. There are no risks which in the opinion of the Board threaten the existence of the Company.

## **WHISTLE BLOWING POLICY**

The Company has established a Whistle Blower Policy for Directors and employees to report their genuine concern. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism.

To overcome the potentially difficult circumstances and to protect the Whistle blower, your Company has a grievance reporting mechanism through SAFECALL. This is an anonymous, free to call and confidential service to enable you to report your concern. It could be criminal activity, fraud, theft or damage to property by the Company, its management, supervisors, employees or suppliers.



It may be more personal, such as discrimination, bullying or harassment. SAFECALL can also be used when you have a really good idea but do not wish to be identified.

SAFECALL is a completely independent organisation with impartial staff to handle these types of calls. Whistle Blower can phone in total confidence knowing that the call will not be traced or recorded – won't even be asked Whistle Blower name. The information given to SAFECALL will be passed on to one of the senior executives who will act on it without compromising you in any way. SAFECALL gives a unique code number to make it easy for to phone back with more information.

Whistle Blower can contact SAFECALL free from any phone by dialling 000 800 440 1256.

#### **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE FORUM**

There are no significant and material orders that were passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future.

#### **AUDITORS**

##### **STATUTORY AUDITORS**

Pursuant to the provisions of Section 139 of the act and rules there under, M/s. Deloitte Haskin & Sells LLP (Firm Registration No: 117366w/w-100018) were reappointed as the statutory auditors of the company at the Annual General Meeting held on 30<sup>th</sup> September 2020, to hold office till the conclusion of the Annual General Meeting to be held in the year 2025.

Further, there are no qualifications, reservations or adverse remarks or disclaimers made by M/s.Deloitte Haskin & Sells., the statutory auditors in their audit report for the year ended 31<sup>st</sup> March 2021.

##### **COST AUDITOR**

Pursuant to the provisions of section 148 of the companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, it is mandated for the Company to maintain the Cost records. The Company is within the threshold limit as prescribed in the above rules and hence the Cost Audit is not mandatory.

In accordance with the provisions of Section 148(1) of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, the Company has maintained the Cost records.

##### **SECRETARIAL AUDITOR**

Being a private limited company, the provisions of section 204 of the Companies Act, 2013 is not applicable to the company and hence the company has not appointed any secretarial auditor for the year 2020-21.

## **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors, General Meetings, Dividend and on Board Report.

## **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of Annual Return as on 31<sup>st</sup> March, 2021 in Form MGT – 9 in accordance with section 92 (3) of the companies act, 2013 read with Companies (Management and Administration) Rules, 2014 are set out herewith as **Annexure A** to this report.

## **OTHER DISCLOSURES**

### **HUMAN RESOURCE**

Your Company Firmly believes that employees are its most valued resource and their efficiency plays a key role in achieving defined goals and building a competitive work environment. Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programmes which has helped the Organization achieve higher productivity levels. In its pursuit to attract, retain and develop best available talents, several programmes are regularly conducted at various levels across the Company. Employee relations continued to be cordial and harmonious across all levels and at all the units of the Company.

### **ENVIRONMENT HEALTH AND SAFETY**

The Company carries out activities with due attention to Environment, Health & Safety. The Company focuses on environmental protection, occupational health and safety and strives for the continual improvement in all the above parameters. Each and every employee of the company is educated regarding health & safety policy of the company. The Department Heads and Supervisors ensure adequate safety and security in their respective departments.

The main objective of the safety theme followed at Renold India is to “Be Safe, Act Safe and Think Safe” always. All employees at the factory (including contract labourers) are provided with Helmets, ear buds, gloves, shoes, eye glasses and also fire extinguishment cylinders are made available at all places. This provides an additional layer to ensure that facilities are as safe as possible for every employee.

Some of the initiatives taken in the area of Health & Safety are listed below:

- i. The Company continues to move on the health agenda by keeping Occupational Health Centres (OHCs) at its manufacturing plant upgraded and ahead of the regulatory requirements.

- ii. A safety program, has been implemented which encompasses safety audits, training & communication, safety systems, incident management, safety campaigns, road safety, industrial Safety, fire safety and electrical safety. Under the programme, the units are graded and an annual award is presented to the winning team.
- iii. All the critical safety incidents, if any, are thoroughly investigated. The root cause and the corrective and preventive actions are reviewed and approved by the Management. The implementation of actions is monitored by the Corporate Quality and Safety group.
- iv. The Company provides mediclaim facility under the Group Mediclaim Policy to its on-roll employees.
- v. Suitable checks and balances are ensured at each of the units to ensure that wage payments statutory contributions, provision of safety equipment and other such obligations are met by the contractor as per the prescribed laws. The Company employs stringent screening and selection criteria for contractors and ensures the terms of contract clearly stipulate statutory requirements to be followed by them.
- vi. Welfare facilities like subsidised food, rest rooms, medical check-up and medical facilities are provided to all employees working in your Company.

**DISCLOSURES PERTAINING TO THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a policy on prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Prevention of Sexual Harassment of Women at Workplace Act") and Rules framed thereunder and an internal complaints committee has also been set up to redress complaints received regarding sexual harassment.

During the year under review there were no cases filed pursuant to the Sexual Harassment at Workplace (Prevention, prohibition and Redressal) Act, 2013. The company's annual report on Policy on Prevention of Sexual Harassment at Workplace is annexed to this report in **Annexure C**.

**ACKNOWLEDGEMENT**

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to employees, shareholders, customers, vendors, bankers, regulatory and Governmental authorities for their continued support.

<b>Place: Dindigul</b> <b>Date: 27.09.2021</b>	<p style="text-align: center;"><b>By Order of the Board</b></p> <table><tr><td data-bbox="505 786 798 898"><b>S. RAMACHANDRAN</b> <b>MANAGING DIRECTOR</b> <b>DIN NO: 03535894</b></td><td data-bbox="798 786 1396 898"><b>MICHAEL PETER WALLWORK</b> <b>DIRECTOR</b> <b>DIN NO: 07291292</b></td></tr></table>	<b>S. RAMACHANDRAN</b> <b>MANAGING DIRECTOR</b> <b>DIN NO: 03535894</b>	<b>MICHAEL PETER WALLWORK</b> <b>DIRECTOR</b> <b>DIN NO: 07291292</b>
<b>S. RAMACHANDRAN</b> <b>MANAGING DIRECTOR</b> <b>DIN NO: 03535894</b>	<b>MICHAEL PETER WALLWORK</b> <b>DIRECTOR</b> <b>DIN NO: 07291292</b>		

**ANNEXURE 'A' TO THE BOARD REPORT****EXTRACT OF ANNUAL RETURN as on the financial year ended 31.03.2021**

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

**FORM NO. MGT – 9****1. REGISTRATION AND OTHER DETAILS:**

i)	CIN	U27109TZ2008FTC017737
ii)	Registration Date	01/05/2008
iii)	Name of the Company	Renold Chain India Private Limited
iv)	Category / Sub-Category of the company	Company having Share Capital
v)	Address of the Registered office and contact details	568/1A, 569/1&2, D.Gudalur, Guziliamparai Taluk, Dindigul – 624 620
vi)	Whether listed company Yes / No	No
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Not Applicable

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1	Industrial Chains	2814	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

Sl. No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Renold International Holdings Limited	Not Applicable	Holding	100%	2(46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-

(b)	Bodies Corporate	-	3,07,50,000	3,07,50,000	100	-	3,07,50,000	3,07,50,000	100	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	3,07,50,000	3,07,50,000	100	-	3,07,50,000	3,07,50,000	100	-
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	3,07,50,000	3,07,50,000	100	-	3,07,50,000	3,07,50,000	100	-
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign	-	-	-	-	-	-	-	-	-

	Investor									
	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(b)	Individuals -	-	-	-	-	-	-	-	-	-
	(i) Individual shareholder holding nominal share capital up to Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
	(ii) Individual shareholder holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	-	-	-	-	-
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	NRIs/OCBs	-	-	-	-	-	-	-	-	-
	Clearing Member	-	-	-	-	-	-	-	-	-
	Directors & Relatives	-	-	-	-	-	-	-	-	-
	Hindu Undivided Families	-	-	-	-	-	-	-	-	-
	Trusts	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-



	<b>TOTAL(A)+(B)</b>	-	-	-	-	-	-	-	-	-
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	-	-	-	-	-	-	-	-	-
	<b>Promoter and Promoter Group</b>	-	-	-	-	-	-	-	-	-
	<b>Public</b>	-	-	-	-	-	-	-	-	-
	<b>GRAND TOTAL (A)+(B)+(C)</b>	-	<b>3,07,50,000</b>	<b>3,07,50,000</b>	<b>100</b>	-	<b>3,07,50,000</b>	<b>3,07,50,000</b>	<b>100</b>	-

**ii) Shareholding of Promoters**

Shareholders Name		No. of Shares held at the beginning of the year 01.04.2020			No. of Shares held at the end of the year 31.03.2021			% change in shareholding during the year
		No. of Shares	% of total Share Of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Share of the Company	% of Shares Pledged / encumbered to total shares	
1	Renold International Holdings Limited	3,07,49,997	100	-	3,07,49,997	100	-	-
2	Renold PLC	3	-	-	3	-	-	-

**iii) Change in Promoters' shareholding (Please specify, if there is no change)**

Shareholding at the beginning of the year			Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the	No. of Shares	% of total shares of the

		Company		Company
At the beginning of the year	No Change			
Date/wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc);				
At the end of the year				

**iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs)**

For Each of the Top Ten Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
Not Applicable				

**v) Shareholding of Directors and Key Managerial Personnel**

For Each of the Directors and KMP	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
Simon Peter Venables	-	-	-	-
Ian Lloyd Scapens	-	-	-	-
Michael Peter Wallwork	-	-	-	-
S Ramachandran	-	-	-	-
T Vinothkumar	-	-	-	-
Rakesh Kailash Sharma	-	-	-	-

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits in Lakhs	Unsecured Loans in Lakhs	Deposits in Lakhs	Total Indebtedness in Lakhs
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL			
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
Change in Indebtedness during the financial year	NIL			
Addition				
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

**VI. A. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sr. No	Particulars of Remuneration	Mr. S Ramachandran Managing Director Amount in '000
1	Gross Salary	5,740
2	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	
3	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	-
4	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-
5	Stock Options	-
6	Sweat Equity	-

7	Commission	-
	- as % of profit	-
	- others, specify....	-
	Others, please specify	
	i. Deferred bonus (pertaining to the current Financial year payable in 2021)	-
	ii. Retirals	-
	iii. Management incentive Plan for the F.Y 2019-20	1,342
	<b>Total (A)</b>	<b>7,082</b>

**B. Remuneration to other Directors:**

## 1. Independent Directors

All amounts are mentioned in thousands of Indian Rupees

S.No	Particulars of Remuneration	Name of the Directors			Total Amount in Lakhs
		Simon Peter Venables	Ian Lloyd Scapens	Michael Peter Wallwork	
1	Fee for attending Board/ committee Meetings	-	-	-	-
2	Commission	-	-	-	-
3	Others, please specify	-	-	-	-

## 2. Non-Executive Directors

S. No	Particulars of Remuneration	Name of Directors	Total Amount in Lakhs
1	Fee for attending Board / Committee Meetings	Not Applicable	
2	Commission		
3	Others, please specify		
4	Total (B)(2)		
	<b>Total (B)=(B) (1) + (B)(2)</b>		<b>0</b>

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

All Amounts are mentioned in Thousands of Indian Rupees

S. No	Particulars of Remuneration	Mr. Rakesh Kailash Sharma Chief Financial Officer	Mr. T Vinothkumar Company Secretary
	Gross Salary	1,827	1,170
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify....		
5	Others, Performance Bonus	237	285
	<b>Total</b>	<b>2,064</b>	<b>1,455</b>

**VII.PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal; made, if any (give details)
A.COMPANY					
Penalty	NONE				
Punishment					
Compounding					
B.DIRECTORS					
Penalty					

Punishment	NONE
Compounding	
C.OTHER OFFICERS IN DEFAULT	
Penalty	NONE
Punishment	
Compounding	

<b>Dindigul</b> <b>Date: 27.09.2021</b>	<b>By Order of the Board</b>	
	<b>S. Ramachandran</b> <b>Managing Director</b> <b>Din No. 03535894</b>	<b>Michael Peter Wallwork</b> <b>Director</b> <b>Din No: 07291292</b>

**ANNEXURE 'B' TO BOARD'S REPORT****Corporate Social Responsibility (CSR) Activities Pursuant to Section 135 of the Companies Act, 2013****1. Brief Outline on CSR Policy of the Company:**

- In accordance with the CSR Policy of the Company, the CSR initiatives were focussed on the areas of 'Promoting Education'.
- In the area(s) of promoting education, the company would contribute towards facilitating & providing support in developing infrastructure for Government/Government aided schools, conducting education programmes that lead to development of a better community, livelihood, etc.

**2. Composition of CSR Committee:**

S.No	Name of the Director	Designation/ Nature Directorship	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	S Ramachandran	Managing Director	4	4
2	Michael Peter WallWork	Director	4	4

3. Provide the Web-link where the Composition of CSR Committee and CSR Projects approved by the Board are disclosed on the Website of the Company

[www.renold.in](http://www.renold.in)

4. Provide the details of Impact Assessment of CSR Projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.

NIL

6. Average net Profit of the Company as per section 135 (5) ₹.11,23,70,667/-
7. (a) Two Percentage of average net profit of the Company as per section 135 (5) ₹.22,47,413
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
- (C ) Amount required to be set off for the Financial Year NIL
- (d) Total CSR Obligation for the Financial year (7a+7b-7c) ₹.22,47,413/-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent in INR				
	Total Amount transferred to unspent CSR Account as per Section 135 (6)		Amount transferred to any fund specified under Schedule VII as per second provision 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹22,70,450	NA	NA	NA	NA	Na



## (b) Details of CSR amount spent against ongoing projects for the financial year

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
S. No	Name of the Project	Item from the list of activities in Schedule VII of the act	Local Area (Yes/ No)	Location of the Project	Project duration	Amount allocated for the Project (in Rs)	Amount spent in the current financial year (in Rs)	Amount transferred to unspent CSR Account for the project as per section 135 (6) (in Rs.)	Mode of Implementation – Direct (Yes/ No)	Mode of implementation through implementing Agency	
				State	District					Name	CSR Registration Number
1	Construction of Toilet for Female students at Guziliamparai Higher Secondary School	Schedule VII (ii)	Yes	Tamil Nadu	Dindigul	15,00,000	11,50,000	-	Yes	NA	NA
	Total					15,00,000	11,50,000				

## (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
S. No	Name of the Project	Item from the list of activities in Schedule VII to the act	Local area (Yes / No)	Location of the Project		Amount spent for the Project	Mode of Implementation – Direct (Yes/ No)	Mode of implementation through implanting Agency	
				State	District			Name	CSR Registration Number
1	Distribution of Rice & Food articles to local people living near company vicinity post COVID 19 Lock Down	Schedule VII (i)	Yes	Tamil Nadu	Dindigul	1,40,000	Direct	NA	NA

2	Purchase of 30 fans to the Guziliamparai Taluk COVID 19 Quarantine Centre	Schedule VII (i)	Yes	Tamil Nadu	Dindigul	50,850	Direct	NA	NA
3	Purchase of Ultra Sona Graphy Machine for Guziliamparai Primary Health Centre	Schedule VII (i)	Yes	Tamil Nadu	Dindigul	9,29,600	Direct	NA	NA
	Total					11,20,450			

(d) Amount spent in Administrative Overheads : NA

(e) Amount spent on Impact Assessment, if applicable : NA

(f) Total amount spent for the Financial Year : ₹22,70,450/-  
(8b+8c+8d+8e)

(g) Excess amount for set off, if any

S.No	Particular	Amount (in Rs)
(i)	Two percent of average net profit of the Company as per section 135 (5)	22,47,413
(ii)	Total amount spent for the Financial Year	22,70,450
(iii)	Excess amount spent for the financial year [(ii)-(i)]	23,037
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	23,037

**9. (a) Details of unspent CSR Amount for the preceding three financial years:**

S.No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs)	Amount spent in the reporting Financial Year (in Rs)	Amount transferred to any fund specified under schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs)
				Name of the Fund	Amount (in Rs)	Date of Transfer	
1	2019-20	NIL	Not Applicable				
2	2018-19	NIL					
3	2017-18	NIL					
	Total	Nil					

(b) Details of CSR amount Spent in Financial Year for Ongoing Projects of the preceding financial years: Nil

- 10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year  
(Asset wise details)

(a) Date of creation or acquisition of capital asset Not Applicable

(b) Amount of CSR spent for creation or acquisition of capital asset Not Applicable

(c) Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) Not Applicable

- 11.** Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5) Not Applicable

<b>Place: Dindigul</b> <b>Date: 27.09.2021</b>	<p style="text-align: center;"><b>By order of the Board</b></p> <div style="display: flex; justify-content: space-between; padding: 10px;"> <div style="width: 45%;"> <p><b>S. Ramachandran</b>  <b>Managing Director &amp;</b>  <b>Chairman of the Committee</b>  <b>Din No: 03535894</b></p> </div> <div style="width: 45%;"> <p><b>Michael Peter Wallwork</b>  <b>Director &amp; Member of</b>  <b>the Committee</b>  <b>DIN No: 07291292</b></p> </div> </div>
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**ANNEXURE 'C' TO BOARD'S REPORT****Annual Report on Complaints received by the Sexual Harassment Committee during the Financial****Year Ended 31.03.2021**

The details of the meeting of the Sexual Harassment Committee, the complaints received are as under:

1. Number of Meeting held during the year : 4
2. Number of complaints received during the year : NIL
3. Number Complaints disposed off during the year : NIL
4. Number cases pending for more than 90 days : NIL
5. Number of Awareness Program carried during the year : NIL
6. Nature of action taken by the Employer : NIL

No Complaints were received by the Committee or by the HR department during the financial year 2020-2021.

<b>Place: Dindigul</b> <b>Date: 27.09.2021</b>	<div style="text-align: center;"><b>By order of the Board</b></div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"><div style="text-align: center;"><b>S. Ramachandran</b> <b>Managing Director</b> <b>Din No: 03535894</b></div><div style="text-align: center;"><b>Michael Peter Wallwork</b> <b>Director</b> <b>DIN No: 07291292</b></div></div>
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**INDEPENDENT AUDITOR'S REPORT****To The Members of Renold Chain India Private Limited  
Report on the Audit of the Ind AS Financial Statements****Opinion**

We have audited the accompanying financial statements of **RENOLD CHAIN INDIA PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report (but does not include the standalone financial statements and our auditor's report thereon). The Directors' report is expected to be made available to us after the date of this auditor's report.
- Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Directors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 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 for the reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

In our opinion and to the best of our information and according to the explanations given to us, the company being a private company, Section 197 of the Act related to the managerial remuneration is not applicable.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS 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 were no amounts which were 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 LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**P Usha Parvathy**

Partner

Membership No. 207704

UDIN: 21207704AAAADC9603

Place: Chennai

Date: 29 September 2021



**ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S 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 **RENOLD CHAIN INDIA PRIVATE LIMITED** (“the Company”) as of 31st March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (‘the Guidance Note’) 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 Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013 , to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance

that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on "the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

P Usha Parvathy

Partner

Place: Chennai

Membership No. 207704

Date: 29 September 2021

UDIN:21207704AAAADC9603

**ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT**

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

(i) In respect of its property, plant and equipment: (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(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.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for term loans / working capital facilities from banks are held in the name of the Company based on the confirmations received by us.

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

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

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

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees’ State Insurance, Income Tax, Customs Duty, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities with the exception of the dues disclosed in (b) below.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees’ State Insurance, Income-tax, Value Added Tax, Wealth Tax, Goods and Service Tax and other material statutory dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable except for the following:

**RENOLD**

(c) Details of dues of Income-tax, Service Tax and Excise Duty which have not been deposited as on 31st March 2021 on account of disputes are given below:

<b>Nature of Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. '000)</b>	<b>Period to which the Amount Relates</b>	<b>Due Date</b>
Income Tax Act, 1961	Tax Deducted at Source	3,160	2013-14 to September 2017	Various dates

Details of dues of Income-tax, Service Tax and Excise Duty which have not been deposited as on 31st March 2021 on account of disputes are given below:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the Amount Relates</b>	<b>Amount Involved (Rs. '000)</b>	<b>Amount Unpaid (Rs. '000)</b>
Income-tax Act, 1961	Income-tax	The Commissioner of Income Tax (Appeals)	FY 2012-13	208.85	208.85
CPC, Bangalore			FY 2017-18	76	76
CPC, Bangalore			FY 2013-14 to FY 2016-17	18,726	18,726

The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of the Order is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) The Company is a private company and, hence, the provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the company is in compliance with Section 188 of the Companies Act, 2013, where applicable. In our opinion and according to the information and explanations given to us, the Company has disclosed the

## ***RENOLD***

details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

**P Usha Parvathy**

Partner

Membership No. 207704

UDIN: 21207704AAAADC9603

Place: Chennai

Date: 29 September 2021

**Renold Chain India Private Limited**  
**Balance sheet as at 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

	PARTICULARS	Note No.	As at 31 March 2021	As at 31 March 2020
	<b>ASSETS</b>			
	<b><u>Non-Current Assets</u></b>			
a)	Property, Plant and Equipment	3	1,96,059	2,07,251
b)	Capital work-in-progress	3	68,173	74,536
c)	Intangible assets	4	318	209
d)	Financial assets			
i)	Non-current Investments	5(a)	1,442	1,442
ii)	Other financial assets	5(b)	6,597	7,370
e)	Other non-current assets	6	2,957	2,425
f)	Income tax assets (net)	10	479	7,692
	<b>Total</b>		<b>2,76,025</b>	<b>3,00,925</b>
	<b><u>Current assets</u></b>			
a)	Inventories	7	1,78,466	1,79,836
b)	Financial assets			
i)	Trade receivables	8	1,10,282	95,441
ii)	Cash and cash equivalents	9	72,192	1,86,155
iii)	Bank balances other than ii) above	9	875	4,040
iv)	Other financial assets	5(b)	3,254	2,051
c)	Other current assets	6	12,028	3,829
	<b>Total</b>		<b>3,77,097</b>	<b>4,71,352</b>
	<b>TOTAL ASSETS</b>		<b>6,53,122</b>	<b>7,72,277</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
a)	Equity share capital	13	3,07,500	3,07,500
b)	Other equity	14	1,32,041	2,37,791
	<b>Total</b>		<b>4,39,541</b>	<b>5,45,291</b>
	<b>LIABILITIES</b>			
	<b><u>Non-current liabilities</u></b>			
a)	Financial liabilities			
i)	Other financial liabilities	16	8,315	7,155
b)	Deferred tax liabilities (net)	11	4,974	4,814
	<b>Total</b>		<b>13,289</b>	<b>11,969</b>
	<b><u>Current Liabilities</u></b>			
a)	<b>Financial liabilities</b>			
i)	Trade payables	15	1,68,590	1,84,959
ii)	Other financial liabilities	16	6,502	4,991
b)	Provisions	17	2,122	5,552
c)	Income tax liabilities (net)	10	-	-
d)	Other current liabilities	18	23,078	19,515
	<b>Total</b>		<b>2,00,292</b>	<b>2,15,017</b>
	<b>Total Liabilities</b>		<b>2,13,581</b>	<b>2,26,986</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,53,122</b>	<b>7,72,277</b>
	Significant Accounting Policies	2		

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

**For and on behalf of the Board of Directors**

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**P Usha Parvathy**  
Partner

**S. Ramachandran**  
Managing Director  
DIN: 03535894

**Michael Peter Wallwork**  
Director  
DIN: 07291292

**Rakesh Kailash Sharma**  
Chief Financial Officer

**T. Vinoth Kumar**  
Company Secretary  
ACS No.F10471

Place: Chennai  
Date: 29.09.2021

Place: Dindigul  
Date: 27.09.2021

**Renold Chain India Private Limited****Statement of Profit and Loss for the year ended 31st March 2021**

All amounts are in Rs. in Thousands unless otherwise stated

S. No.	Particulars	Note No.	For the year ended 31 March 2021	For the year ended 31 March 2020
	<b>REVENUE:</b>			
I	Revenue from operations	19	7,56,806	9,68,643
II	Other income	20	10,830	5,647
III	<b>Total revenue</b>		<b>7,67,636</b>	<b>9,74,290</b>
IV	<b>EXPENSES:</b>			
	Cost of raw material and components consumed	21(a)	3,03,541	4,42,830
	Changes in inventories of finished goods and work-in-progress.	21(b)	40,757	(31,605)
	Excise duty on sale of goods		-	-
	Employee benefit expense	22	90,836	1,21,330
	Finance costs	23	307	1,956
	Depreciation and amortization expense	24	23,719	23,195
	Other expenses	25	2,21,357	3,04,939
	<b>Total expenses</b>		<b>6,80,517</b>	<b>8,62,645</b>
V	<b>Profit before tax (III - IV)</b>		<b>87,119</b>	<b>1,11,645</b>
VI	<b>Tax expense</b>			
	a) Current tax	26	22,256	28,837
	b) Deferred tax	26	(150)	(1,757)
	<b>Total tax expense (net)</b>		<b>22,106</b>	<b>27,080</b>
VII	<b>Profit for the year (V - VI)</b>		<b>65,013</b>	<b>84,565</b>
VIII	<b>Other comprehensive income</b>			
	<b>A. Items that will not be reclassified to profit or loss</b>			
	(i) Remeasurements of the defined benefit plans		1,232	(1,406)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	26	(310)	354
	<b>B. Items that will be reclassified to profit or loss</b>			-
	<b>Total other comprehensive income</b>		<b>922</b>	<b>(1,052)</b>
IX	<b>Total comprehensive income for the year (VII + VIII)</b>		<b>65,935</b>	<b>83,513</b>
	<b>Earnings per equity share (face value of Rs. 10/-)</b>			
	a) Basic (In Rs.)	27	2.11	2.75
	b) Diluted (In Rs.)	27	2.11	2.75
	The accompanying notes are an integral part of these financial statements			

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

**P Usha Parvathy**  
Partner

Place: Chennai  
Date: 29.09.2021

**For and on behalf of the Board of Directors**

**S. Ramachandran**  
Managing Director  
DIN: 03535894

**Michael Peter Wallwork**  
Director  
DIN: 07291292

**Rakesh Kailash Sharma**  
Chief Financial Officer

**T. Vinoth Kumar**  
Company Secretary  
ACS No.F10471

Place: Dindigul  
Date: 27.09.2021

**Renold Chain India Private Limited**  
**Cash Flow Statement for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

Sl. No.	Particulars	Note No.	Year ended 31 March 2021	Year ended 31 March 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
	<b>Profit for the year</b>		<b>65,013</b>	<b>84,565</b>
	<b>Adjustment for :</b>			
	Income tax expense recognised in profit or loss	26	22,106	27,080
	Depreciation and amortization expenses	24	23,719	23,195
	Net (gain) on disposal of property, plant and equipment	25	(6)	(8)
	Net foreign exchange (gain) on non operating activities		(1,236)	(894)
	Provision for doubtful debts and advances (net of reversal)	25	(1,961)	7,394
	Provisions no longer required written back	20	(1,000)	-
	Finance costs recognised in profit or loss	23	307	1,956
	Interest income recognised in profit or loss	20	(7,863)	(4,536)
	<b>Operating profit before working capital changes</b>		<b>99,079</b>	<b>1,38,752</b>
	<b>Adjustments for (increase) / decrease in:</b>			
	Trade receivables		(15,118)	69,936
	Inventories		1,370	(18,394)
	Other financial assets		(430)	567
	Other assets		(8,199)	5,713
	<b>Adjustments for increase / (decrease) in:</b>			
	Trade payables		(12,895)	33,319
	Other financial liabilities		2,364	(1,115)
	Other current liabilities		2,625	9,102
	Short-term provisions		(2,430)	254
	<b>Cash generated from operations</b>		<b>66,366</b>	<b>2,38,134</b>
	Direct taxes paid		12,872	44,882
	<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>		<b>53,494</b>	<b>1,93,252</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>			
	Investment in equity shares	5(a)	-	(1,114)
	Payments for property, plant and equipment		(9,906)	(51,199)
	Proceeds from disposal of property, plant and equipment		3,106	28
	Interest received		7,863	4,536
	Net movement in bank deposits other than cash and cash equivalents	9	3,165	8,668
	<b>NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES</b>		<b>4,228</b>	<b>(39,081)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>			
	Interest paid		-	(1,956)
	Dividend paid/Buy back of share		(1,71,685)	(1,61,065)
	<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(1,71,685)</b>	<b>(1,63,021)</b>
	<b>NET CASH FLOWS DURING THE YEAR (A+B+C)</b>		<b>(1,13,963)</b>	<b>(8,850)</b>
	<b>Cash and cash equivalents (opening balance)</b>	9	<b>1,86,155</b>	<b>1,95,005</b>
	<b>Cash and cash equivalents (closing balance)</b>	9	<b>72,192</b>	<b>1,86,155</b>

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

**For and on behalf of the Board of Directors**

**P Usha Parvathy**  
Partner

**S. Ramachandran**  
Managing Director  
DIN: 03535894

**Michael Peter Wallwork**  
Director  
DIN: 07291292

**Rakesh Kailash Sharma**  
Chief Financial Officer

**T. Vinoth Kumar**  
Company Secretary  
ACS No.F10471

Place: Chennai  
Date: 29.09.2021

Place: Dindigul  
Date: 27.09.2021



**Renold Chain India Private Limited****Statement of Changes in Equity for the year ended 31st March 2021**

All amounts are in Rs. Thousands unless otherwise stated

**A. Equity Share Capital**

Particulars	Amount
<b>Balance as at 31 March, 2019</b>	<b>4,10,000</b>
Changes in Equity Share capital during the year	(1,02,500)
<b>Balance as at 31 March, 2020</b>	<b>3,07,500</b>
Changes in Equity Share capital during the year	
<b>Balance as at 31 March, 2021</b>	<b>3,07,500</b>

**B. Other Equity**

Particulars	Reserves and Surplus	Other Comprehensive Income	Capital Redemption reserve	Total
	Surplus in Statement of Profit & Loss	Remeasurement of Defined Benefit Liabilities		
<b>Balance as at 31 March, 2019</b>	<b>2,12,843</b>	-	-	2,12,843
Profit for the year	84,565	-	-	84,565
(Less): Premium Paid on Buyback	(47,500)	-	-	(47,500)
(Less): Tax on Buyback	(11,066)	-	-	(11,066)
(Less): Transfer to capital redemption reserve	(1,02,500)	-	1,02,500	-
Remeasurement of Defined Benefit Liabilities	-	(1,052)	-	(1,052)
Reclassification (Refer Note below)	(1,052)	1,052	-	-
<b>Balance as at 31 March, 2020</b>	<b>1,35,291</b>	-	<b>1,02,500</b>	<b>2,37,791</b>
Profit for the year	65,013	-	-	65,013
(Less): Dividend paid	(1,71,685)	-	-	(1,71,685)
Remeasurement of Defined Benefit Liabilities	-	922	-	922
Reclassification (Refer Note below)	922	(922)	-	-
<b>Balance as at 31 March, 2021</b>	<b>29,541</b>	-	<b>1,02,500</b>	<b>1,32,041</b>

Note: In accordance with Notification G.S.R 404(E) , dated April 06, 2016, remeasurment of defined benefit plans is recognised as a part of retained earnings.

The accompanying notes are an integral part of these financial statements

In terms of our report attached.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**For and on behalf of the Board of Directors**

**P Usha Parvathy**  
Partner

**S. Ramachandran**  
Managing Director  
DIN: 03535894

**Michael Peter Wallwork**  
Director  
DIN: 07291292

**Rakesh Kailash Sharma**  
Chief Financial Officer

**T. Vinoth Kumar**  
Company Secretary  
ACS No.F10471

Place: Chennai  
Date: 29.09.2021

Place: Dindigul  
Date: 27.09.2021

**1. General Information****Company Overview:**

Renold Chain India Private Limited ('Renold India' or 'the Company') was incorporated on May 1, 2008 in the State of Tamil Nadu, India. The Company is a Subsidiary of Renold International Holdings Limited, United Kingdom ('RIHL') which is owned by Renold PLC, United Kingdom.

The Company is engaged in the manufacture and sale of industrial chains and sprockets within and outside India.

**2 SIGNIFICANT ACCOUNTING POLICIES:****2.1 Statement of Compliance with IND AS**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

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

The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated.

**2.2 Basis of accounting and preparation of financial statements**

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated in a reasonable and prudent manner. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or a liability if market participants would have those characteristics into account when pricing the asset or a liability at the measurement date. Fair value or measurement and/or disclosure purposes in these separate financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS or value in use in Ind AS 36.

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

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

All assets and liabilities are classified into current and non-current based on the operating cycle of less than twelve months or based on the criteria of realization/settlement within twelve months period from the balance sheet date.

### **2.3 Functional and presentation currency:**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the “functional currency”). The financial statements are presented in Indian Rupee, the national currency of India, which is the functional currency of the Company.

### **2.4 Use of estimates and judgments**

In the application of the Company’s accounting policies the Management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities, revenue and expenses that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### **i. Useful lives of Property, Plant and Equipment:**

Depreciation and amortization are based on management estimates of the future useful life and residual value of certain class of property, plant and equipment and intangible assets. Useful life and residual value of an asset is determined by the Management at the time an asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

**ii. Employee Benefits:**

The present value of the employee benefits obligations depends on several factors that are determined on an actuarial basis using several assumptions. The assumptions used in determining the net cost (income) includes the discount rate, wage escalation and employee attrition. Any changes in these assumptions will impact the carrying amount of obligations. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations. Actuarial gains/losses relating to defined benefit obligation is recognized in Other Comprehensive income. The sensitivity analysis for changes in estimates is disclosed under relevant Notes.

**iii. Provision and contingencies:**

Provisions and contingencies are based on the Management's best estimate of the liabilities based on the facts known at the balance sheet date.

**iv. Provision for doubtful receivables**

The Company makes provision for doubtful receivables based on a provision matrix which considers historical credit loss experience and adjusted for current estimates.

**v. Estimation of net realizable value of inventories:**

Inventories are stated at the lower of cost and net realizable value. In estimating the net realizable value of inventories, the Company makes an estimate of future selling prices and cost necessary to make the sale.

**vi. Fair valuation:**

Fair value is the market-based measurement of observable market transaction or available market information.

**vii. Taxes:**

Significant judgments are required in determining the provision for taxes including the amount expected to be paid/recovered for uncertain tax positions

**2.5 Revenue recognition:**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity, and when specific criteria have been met for each of the Company's activities.

**2.5.1 Sale of goods**

Sales are recognized, 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 the customers. Sales include Excise Duty / Goods and Service Tax (GST). Performance obligations in respect of contracts for sale of manufactured and traded goods is considered as satisfied at a point in time when the control of the same is transferred to the customer and where there is an alternative use of the asset or the company does not have either explicit or implicit right of payment for performance completed till date. In case where there is no alternative use of the asset and the company has either explicit or implicit right of payment considering legal

precedents, performance obligation is considered as satisfied over a period and revenue is recognized over time.

### **2.5.2 Income from services**

Commission income is recognized as and when services are rendered as per the terms of the contract

### **2.5.3 Export Incentive**

Benefit on account of entitlement to import goods free of duty under the “Duty Drawback Scheme” is accounted in the year of export.

### **2.6 Other Income**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

### **2.7 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

If lease incentives are received to enter operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### **2.8 Foreign currencies:**

#### **(i) Initial recognition**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction or at rates that closely approximate the date of transaction.

#### **(ii) Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the

exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**2.9 Cash and Cash Equivalents:**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

**2.10 Cash Flow Statements:**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated

**2.11 Borrowing costs:**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in statement of profit and loss in the period in which they are incurred.

**2.12 Segment Reporting**

The information reported to the Chief Operating Decision Maker (CODM) for the purpose of resource allocation and assessment of segment performance is based on types of goods and services. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

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

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

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

**2.13 Employee benefits****2.13.1 Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorized as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item ‘Employee benefits expenses. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

#### **2.13.2 Short-term and other long-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

#### **2.14 Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

#### **2.15 Taxation**

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

##### (i) Current Income taxes

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



In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.

(ii) Deferred Income taxes

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

MAT paid in accordance with the tax laws, if any, 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 tax. Accordingly, MAT is recognized as a deferred tax asset in the Balance sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that enough taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the way the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

(iii) Current and deferred tax for the year

Current and deferred tax are recognized in the Statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

## **2.16 Property, plant and equipment**

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is

capitalized as the activities undertaken improves the economic benefits expected to arise from the asset. Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Assets in the course of construction are capitalized in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalized where the asset is available for use but incapable of operating at normal levels until a period of commissioning has been completed. Revenue generated from production during the trial period is capitalized.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land and leasehold land where the lease are convertible to freehold land under lease agreements at future dates at no additional cost, are not depreciated.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life.

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of following categories of assets in whose case the life of certain assets has been assessed based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating condition of the asset, past history of replacement, maintenance support etc.

The useful life considered for the assets is:

- |      |                          |                  |
|------|--------------------------|------------------|
| i)   | Building                 | - 50 years       |
| ii)  | Plant and Machinery      | - 10 to 15 years |
| iii) | Electrical installations | - 15 years       |
| iv)  | Office equipment         | - 15 years       |

v)	Furniture and Fixtures	- 15 years
vi)	Computers	- 3 years
vii)	Vehicles	- 4 years

## **2.17 Intangible Assets**

### **(i) Intangibles assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

### **(ii) Derecognition of intangible assets**

An intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an intangible asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

### **(iii) Useful lives of Intangible assets**

Estimated useful live of the intangible assets are as follows:

Goodwill	– 5 years
Computer Software	– 5 years

## **2.18 Impairment of tangible and intangible assets:**

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

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax

discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it is carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

#### **2.19 Inventories:**

Inventories are stated at lower of cost and net realizable value. Cost of inventories is determined on a weighted average basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost of raw materials include cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress include cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Due allowance is estimated and made by the Management for slow moving/ non-moving inventory wherever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory Value.

#### **2.20 Provisions, contingent liabilities and contingent assets:**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

#### **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 up to eighteen months.

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 based on the information available with the Management duly considering the current and past technical estimates.

### **2.21 Financial instruments:**

Financial assets and financial liabilities are recognized when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognized immediately in Statement of Profit and Loss.

### **2.22 Financial assets:**

#### **2.22.1 Recognition and initial measurement**

- (i) The Company initially recognizes loans and advances, deposits, debt securities issues and subordinated liabilities on the date on which they originate. All other financial instruments (including regular way purchases and sales of financial assets) are recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. A financial asset or liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.
- (ii) The Company has elected to apply the requirements pertaining to Level III financial instruments of deferring the difference between the fair value at initial recognition and the transaction price prospectively to transactions entered on or after the date of transition to Ind AS.

- (iii) All equity investments are measured at fair value in the balance sheet, with value changes recognized in the Statement of Profit and Loss, except for those equity investments for which the entity has elected to present value changes in 'Other Comprehensive Income'.
- (iv) If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the Statement of Profit and Loss.

### **2.22.2 Classification of financial assets:**

On initial recognition, a financial asset is classified to be measured at amortized cost, fair value through other comprehensive income (FVTOCI) or FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy in financial assets measured at amortized cost, refer Note 2.22.5.

A debt instrument is classified as FVTOCI only if it meets both of the following conditions and is not recognized at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognized in profit or loss for FVTOCI debt instruments. For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

### **2.22.3 Effective interest method:**

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the "Other Income" line item.

#### **2.22.4 Financial assets at fair value through profit or loss (FVTPL):**

Debt instruments that do not meet the amortized cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortized cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortized cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognized when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **2.22.5 Impairment of financial assets:**

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which considers historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognized in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

#### **2.22.6 Derecognition of financial assets:**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer



recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized based on the relative fair values of those parts.

#### **2.22.7 Foreign exchange gains and losses:**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognized in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognized in other comprehensive income.

#### **2.23 Financial liabilities and equity instruments:**

##### **2.23.1 Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **2.23.2 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

##### **2.23.3 Financial liabilities**

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

**Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in Statement of Profit and Loss.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognized in profit or loss. The remaining amount of change in the fair value of liability is always recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss. Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognized in profit or loss.

**Other financial liabilities**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

**Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18.

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss.

**Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and

the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

## **2.24 Events after Reporting date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

## **2.25 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

## **3. Application of New and Revised Ind AS**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in the preparing these financial statements.

### **Amendment to Ind AS 116 - Leases**

The Ministry of Corporate Affairs (MCA) issued amendments to Ind AS 116, "Leases", provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements

### **Amendments to Ind AS 1 and Ind AS 8 - Definition of "material"**

The Company has adopted the amendments to Ind AS 1 and Ind AS 8 for the first time in the current year. The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021**

All amounts are in Rs. in Thousands unless otherwise stated

**3 Property, plant and equipment and capital work-in-progress**

Particulars	As at 31 March 2021	As at 31 March 2020
Land	18,061	18,061
Buildings	40,445	41,176
Plant and Machinery (Note b)	1,17,010	1,23,250
Electrical Installations	10,905	11,984
Computers	4,023	5,703
Office Equipment	3,054	3,339
Furniture and Fixtures	1,433	1,572
Vehicles	1,128	2,166
	<b>1,96,059</b>	<b>2,07,251</b>

Cost (Deemed Cost)	Land	Buildings	Plant and Machinery (Note a)	Electrical Installations	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total
<b>Balance at 1 April, 2019</b>	<b>18,061</b>	<b>44,064</b>	<b>1,78,009</b>	<b>14,547</b>	<b>12,425</b>	<b>4,652</b>	<b>1,111</b>	<b>5,780</b>	<b>2,78,649</b>
Additions	-	958	14,159	336	1,742	-	884	-	18,079
Disposals	-	-	(3,566)	-	35	0	0	0	(3,601)
<b>Balance at 31 March, 2020</b>	<b>18,061</b>	<b>45,022</b>	<b>1,88,602</b>	<b>14,883</b>	<b>14,132</b>	<b>4,652</b>	<b>1,995</b>	<b>5,780</b>	<b>2,93,127</b>
Additions	-	307	15,264	-	-	-	-	-	15,571
Disposals	-	-	(23,540)	-	(1,153)	-	-	-	(24,693)
<b>Balance at 31 March, 2021</b>	<b>18,061</b>	<b>45,329</b>	<b>1,80,326</b>	<b>14,883</b>	<b>12,979</b>	<b>4,652</b>	<b>1,995</b>	<b>5,780</b>	<b>2,84,005</b>

Accumulated depreciation and impairment	Land	Buildings	Plant and Machinery (Note a)	Electrical installations	Computers	Office Equipments	Furniture and fixtures	Vehicles	Total
<b>Balance at 1 April, 2019</b>	-	<b>2,853</b>	<b>50,808</b>	<b>1,822</b>	<b>6,972</b>	<b>1,026</b>	<b>299</b>	<b>2,536</b>	<b>66,315</b>
Depreciation expense	-	993	18,103	1,077	1,479	287	124	1,078	23,141
Eliminated on disposals of assets	-	-	(3,559)	-	(22)	0	0	0	(3,581)
<b>Balance at 31 March, 2020</b>	-	<b>3,846</b>	<b>65,352</b>	<b>2,899</b>	<b>8,429</b>	<b>1,313</b>	<b>423</b>	<b>3,614</b>	<b>85,875</b>
Depreciation expense	-	1,038	18,404	1,079	1,680	285	139	1,038	23,663
Eliminated on disposals of assets	-	-	(20,440)	-	(1,153)	-	-	-	(21,593)
<b>Balance at 31 March, 2021</b>	-	<b>4,884</b>	<b>63,316</b>	<b>3,978</b>	<b>8,956</b>	<b>1,598</b>	<b>562</b>	<b>4,652</b>	<b>87,945</b>
<b>Carrying amount at 31 March, 2021</b>	<b>18,061</b>	<b>40,445</b>	<b>1,17,010</b>	<b>10,905</b>	<b>4,023</b>	<b>3,054</b>	<b>1,433</b>	<b>1,128</b>	<b>1,96,059</b>

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited**

Notes to the financial statements for the year ended March 31, 2021

All amounts are in Rs. in Thousands unless otherwise stated

Carrying amount	Land	Buildings	Plant and machinery (Note a)	Electrical Installations	Computers	Office Equipments	Furniture & Fixtures	Vehicles	Total
<b>Balance at 31 March, 2020</b>	<b>18,061</b>	<b>41,176</b>	<b>1,23,250</b>	<b>11,984</b>	<b>5,703</b>	<b>3,339</b>	<b>1,572</b>	<b>2,166</b>	<b>2,07,252</b>
Additions	-	307	15,264	-	-	-	-	-	15,571
Disposals	-	-	(3,100)	-	-	-	-	-	(3,100)
Depreciation expense	-	(1,038)	(18,404)	(1,079)	(1,680)	(285)	(139)	(1,038)	(23,663)
<b>Balance at 31 March, 2021</b>	<b>18,061</b>	<b>40,445</b>	<b>1,17,010</b>	<b>10,905</b>	<b>4,023</b>	<b>3,054</b>	<b>1,433</b>	<b>1,128</b>	<b>1,96,059</b>

Capital work in progress movement	Amount
<b>Balance at 31 March, 2019</b>	<b>41,416</b>
Additions during the year	38,140
Capitalized during the year	(5,020)
<b>Balance at 31 March, 2020</b>	<b>74,536</b>
Additions during the year	5,889
Capitalized during the year	(12,252)
<b>Balance at 31 March, 2021</b>	<b>68,173</b>

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020  
(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021**

All amounts are in Rs. in Thousands unless otherwise stated

**4 Other intangible assets**

Carrying amounts	As at	
	31 March 2021	31 March 2020
Computer Software	318	209
<b>Total</b>	<b>318</b>	<b>209</b>

Cost or deemed cost	Computer Software	Total
<b>Balance at 1 April, 2019</b>	<b>674</b>	<b>674</b>
Additions	-	-
Disposals	-	-
<b>Balance at 31 March, 2020</b>	<b>674</b>	<b>674</b>
Additions	165	165
Disposals	-	-
<b>Balance at 31 March, 2021</b>	<b>839</b>	<b>839</b>

Accumulated depreciation and impairment	Computer Software	Total
<b>Balance at 1 April, 2019</b>	<b>411</b>	<b>411</b>
Amortization expense	54	54
<b>Balance at 31 March, 2020</b>	<b>465</b>	<b>465</b>
Amortization expense	56	56
<b>Balance at 31 March, 2021</b>	<b>521</b>	<b>521</b>

Carrying amount	Computer Software	Total
<b>Balance at 31 March, 2020</b>	<b>209</b>	<b>209</b>
<b>Balance at 31 March, 2021</b>	<b>318</b>	<b>318</b>

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020  
(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

**5(a) Non-current Investments**

Particulars	As at	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Unquoted investment in equity shares:		
Investments at fair value through profit or loss		
28800 (31 March 2020 : 28800) Equity shares of Average Price Rs. 50.05 each fully paid in Clean Wind Power (Pratapgarh) Private Limited	1,442	1,442
<b>Total</b>	<b>1,442</b>	<b>1,442</b>

During the previous year, the Company acquired 25,200 equity shares of Rs. 44.17 each, of Clean Wind Power (Pratapgarh) Private Limited on March 18, 2020 for Rs. 11,13,084 in order to supplement its power needs.

**5(b) Other financial assets**

Particulars	As at	
	31 March 2021	31 March 2020
<b>Non-current:</b>		
Security deposits	6,597	7,370
<b>Total</b>	<b>6,597</b>	<b>7,370</b>
<b>Current:</b>		
Security deposits	15	70
Export incentive receivable	3,239	1,981
<b>Total</b>	<b>3,254</b>	<b>2,051</b>

**6 Other assets**

Particulars	As at	
	31 March 2021	31 March 2020
<b>Non-current:</b>		
Capital advances	2,957	2,425
<b>Total</b>	<b>2,957</b>	<b>2,425</b>
<b>Current:</b>		
Prepaid expenses	3,339	675
Balances with government authorities	8,587	2,445
Loans and advances to employees	102	709
<b>Total</b>	<b>12,028</b>	<b>3,829</b>



**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**
**7 Inventories**

Particulars	As at	
	31 March 2021	31 March 2020
Raw materials	1,19,549	80,162
Work-in-progress	39,850	33,648
Finished goods (includes stock in transit on Sales Rs. 11588)	19,067	66,026
<b>Total</b>	<b>1,78,466</b>	<b>1,79,836</b>

Particulars	2020-21	2019-20
The cost of inventories recognised as an expenses during the year	3,44,298	4,11,225
The cost of inventories recognised as an expense, includes write downs of inventory to net realisable value, amounting to	2,245	4,020
The mode of valuation of inventories has been stated in Note 2.19		

**8 Trade receivables**

Particulars	As at	
	31 March 2021	31 March 2020
(a) Receivables considered good, Unsecured	1,10,282	95,441
(b) Receivables which have significant increase in Credit Risk	8,110	9,139
(c) Receivables - Credit impaired	-	933
	<b>1,18,392</b>	<b>1,05,513</b>
Less: Allowance for Expected Credit loss	(8,110)	(10,071)
<b>Total</b>	<b>1,10,282</b>	<b>95,441</b>

**8.1 Credit Period**

The average credit period on sales of goods ranges from 60 to 90 days without security. No interest is charged on trade receivables on delayed payments.

Before accepting any new customers, the internal team assesses the potential customer's credit quality and defines credit limits for the Customers.

**8.2 Expected credit loss allowance**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows :

Particulars	Expected Credit Loss (%)	Expected Credit Loss (%)
	2020-21	2019-20
Within the Credit period	0.15	0.20
1-90 days past dues	0.41	0.41
91-180 days past dues	2.72	4.04
181-270 days past dues	8.81	6.92
271-360 days past dues	18.37	10.55
> 360 days past dues	20.00	19.56

**Renold Chain India Private Limited****Notes to the financial statements for the year ended March 31, 2020**

All amounts are in Rs. in Thousands unless otherwise stated

**Ageing of Receivables**

Particulars	As at 31st March 2021	As at 31st March 2020
Within the Credit period	80,572	57,501
1-90 days past dues	22,836	38,691
91-180 days past dues	1,154	3,428
181-270 days past dues	117	3,433
271-360 days past dues	72	172
> 360 days past dues	13,641	14,488

Total allowance for doubtful debts included :

Particulars	As at	
	31 March 2021	31 March 2020
Special allowance for doubtful debts (specific identification)	-	-
Expected credit loss (as per the above model)	8,110	10,071
<b>Total allowance for doubtful debts</b>	<b>8,110</b>	<b>10,071</b>

Movement in the allowance for doubtful receivables (including expected credit loss allowance):

(a) Expected credit loss allowance:

Particulars	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	10,071	2,727
Movement in Expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(1,961)	7,344
<b>Balance at the end of the year</b>	<b>8,110</b>	<b>10,071</b>

(b) Specific allowance for doubtful receivables:

Particulars	As at	
	31 March 2021	31 March 2020
Balance at the beginning of the year	-	-
Add: Specific allowance on trade receivables	-	-
Less: Reversal of allowance on collection/written off	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021**

All amounts are in Rs. in Thousands unless otherwise stated

**9 Cash and Cash equivalents**

Cash and Cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows :

Particulars	As at	
	31 March 2021	31 March 2020
Balance with Banks:		
- In current accounts	72,192	1,86,155
- Deposits with original maturity less than 3 months	-	-
Cash on hand	-	-
<b>Total</b>	<b>72,192</b>	<b>1,86,155</b>

**Non-cash transactions**

During the year, the company has not entered into any non cash transactions on investing and financing activities.

**Bank balances other than above**

Particulars	As at	
	31 March 2021	31 March 2020
<u>Balances with banks</u>		
- Fixed Deposits (original maturity more than 3 months)	0	0
- Margin money deposited Accounts	875	4,040
<b>Total</b>	<b>875</b>	<b>4,040</b>

Margin money deposits have an original maturity period of less than 12 months

**10 Income Tax Assets and Liabilities**

Particulars	As at	
	31 March 2021	31 March 2020
<u><b>Current tax liabilities</b></u>		
Income tax payable for the current year	1,12,780	98,116
Less: Advance tax and taxes deducted at source	(1,13,260)	(1,05,809)
<b>Tax payable (net)</b>	<b>(479)</b>	<b>(7,692)</b>
<u><b>Non-current Income Tax Assets</b></u>		
Income tax payments made against returns filed /demands received for earlier years		
Less: Provisions made in prior years		
<b>Tax refund receivable (net)</b>	<b>-</b>	<b>-</b>

**11 Deferred Tax Balances**

Particulars	As at	
	31 March 2021	31 March 2020
The following is the analysis of the net deferred tax asset/(liability) position as presented in the financial statements		
Deferred tax assets	4,454	5,235
Deferred tax liabilities	(9,428)	(10,049)
<b>Net balance of asset /(liability)</b>	<b>(4,974)</b>	<b>(4,814)</b>

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021****All amounts are in Rs. in Thousands unless otherwise stated****12 Movement in deferred tax balances**

Particulars of Assets / (Liabilities)	For the year 2020-21			
	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(10,049)	621	-	(9,428)
Provision for employee benefits	(176)	590	(310)	104
Provision for doubtful debts and advances	2,655	(804)	-	1,851
Other disallowances	2,756	(257)	-	2,499
		-		
<b>Total</b>	<b>(4,814)</b>	<b>150</b>	<b>(310)</b>	<b>(4,974)</b>

Particulars of Assets / (Liabilities)	For the year 2019-20			
	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(9,880)	(169)	-	(10,049)
Provision for employee benefits (including bonus)	113	65	(354)	(176)
Provision for doubtful debts and advances	794	1,861	-	2,655
Other disallowances	2,756	-	-	2,756
<b>Total</b>	<b>(6,217)</b>	<b>1,757</b>	<b>(354)</b>	<b>(4,814)</b>

**Renold Chain India Private Limited**
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**
**13 Equity Share Capital**

Particulars	As at	
	31 March 2021	31 March 2020
<b>Authorized Share capital :</b>		
41,000,000 (As at 31st March 2020: 41,000,000) fully paid equity shares of Rs.10 each with voting rights	4,10,000	4,10,000
<b>Issued and subscribed capital comprises :</b>		
30,750,000 (As at 31st March 2020: 30,750,000) fully paid equity shares of Rs.10 each	3,07,500	3,07,500
	<b>3,07,500</b>	<b>3,07,500</b>

**13 Terms/Rights attached to equity shares**

There has been no movement in the Share Capital during the year. The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of the equity shares is entitled to one vote per share. In the event of repayment of Share Capital, the same will be in proportion to the number of equity shares held.

**13 Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	Number of shares	Amount
Balance as at 31st March 2020	3,07,50,000	3,07,500
Movements		-
Balance as at 31st March 2021	3,07,50,000	3,07,500

Fully paid equity shares, which have a par value of Rs.10 , carry one vote per share and carry a right to dividends.

**Buy Back of Shares**

During the year 2019-20, 1,02,50,000 shares held by one of the shareholders of the company was bought back at Rs. 14.6341 per share. The face value of Rs. 10 per share has been reduced from the equity share capital and the remaining amount of Rs. 4.6341 per share has been adjusted against the reserves and disclosed in Note 14 &15.

The above buy back has been approved in the meeting of Board of Directors of the Company held on 4th November 2019 and in the extra-ordinary general meeting of the members held on 5th November 2019 in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013

**13 Details of shares held by Holding/Ultimate Holding company and/or their subsidiaries/associates**

Particulars	As at 31 March 2021 Amount	As at 31 March 2020 Amount
<b>Renold International Holding Limited, UK, The holding company</b> 30,749,997 (31st March 2020: 30,749,997) equity shares of Rs.10 each fully paid.	3,07,499.97	3,07,499.97
<b>Renold, PLC, UK, The ultimate holding company</b> 3 (31st March 2020: 3) equity shares of Rs.10 each fully paid.	0.03	0.03

**13 Details of shares held by each shareholders holding more than 5% shares**

Name of the shareholder	As at			
	31 March 2021		31 March 2020	
	Number of shares	% of holding	Number of shares	% of holding
<b>Fully paid equity shares</b>				
Renold International Holding Limited	3,07,49,997	100.00	3,07,49,997	100.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

<b>Renold Chain India Private Limited</b> <b>Notes to the financial statements for the year ended 31st March 2021</b> <b>All amounts are in Rs. in Thousands unless otherwise stated</b>		
<b>14 Other Equity</b>		
Particulars	As at	
	31 March 2021	31 March 2020
<b>I. Reserves and surplus</b>		
Capital Redemption Reserve	1,02,500	1,02,500
Surplus in statement of profit and loss account	29,541	1,35,291
	<b>1,32,041</b>	<b>2,37,791</b>
<b>14.1 Surplus in statement of profit and loss account</b>		
Particulars	Retained Earnings	Remeasurement of Defined Benefit Liabilities
<b>Balance as at 31 March 2019</b>	<b>2,12,844</b>	-
Add: Profit for the year	84,565	-
(Less): Premium Paid on Buyback	(47,500)	(1,052)
(Less): Tax on Buyback	(11,066)	
(Less): Transfer to Capital Redemption Reserve	(1,02,500)	-
Add/(Less): Other Comprehensive Income for the year, net of income tax	-	
Add/(Less) : Reclassification from Other comprehensive income (Refer Note below)	(1,052)	1,052
<b>Balance as at 31 March 2020</b>	<b>1,35,291</b>	-
Add: Profit for the year	65,013	-
(Less): Dividend paid	(1,71,685)	
Add/(Less): Other Comprehensive Income for the year, net of income tax		922
Add/(Less) : Reclassification from Other comprehensive income (Refer Note below)	922	(922)
<b>Balance as at 31 March 2021</b>	<b>29,541</b>	-
Note: In accordance with Notification G.S.R 404(E) , dated April 06, 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.		
<b>14.2 Capital Redemption Reserve</b>		
Particulars		
<b>Balance as at 31 March 2019</b>	-	
Add: Transfer from Statement of Profit and Loss	1,02,500	
<b>Balance as at 31 March 2020</b>	<b>1,02,500</b>	
<b>Balance as at 31 March 2021</b>	<b>1,02,500</b>	
<b>15 Trade payables</b>		
Particulars	As at	
	31 March 2021	31 March 2020
Trade payables:		
(i) Dues to Micro and Small Enterprises (refer note 30)	717	12,569
(ii) Dues to other than Micro and Small Enterprises	1,67,873	1,72,390
<b>Total</b>	<b>1,68,590</b>	<b>1,84,959</b>
a Trade payables are non-interest bearing and are normally settled as per due dates generally ranging from 30 to 60 days. b. The Company has financial risk management policies in place to ensure that all payables are paid within the agreed credit terms. c. Dues to Micro and Small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the Management. This has been relied upon by the Auditors.		

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021**

All amounts are in Rs. in Thousands unless otherwise stated

**16 Other financial liabilities**

Particulars	As at	
	31 March 2021	31 March 2020
<b>Non-Current</b>		
Security Deposit from dealers	8,315	7,155
	<b>8,315</b>	<b>7,155</b>
<b>Current</b>		
Security Deposit from dealers	1,085	1,460
Interest Liability on Dealers Deposit	1,709	1,403
Payable on purchase of Property, plant & equipment	3,709	2,128
	<b>6,502</b>	<b>4,991</b>
<b>Total</b>	<b>14,817</b>	<b>12,146</b>

**17 Provisions**

Particulars	As at	
	31 March 2021	31 March 2020
<u>Towards employee benefits</u>		
Compensated absences	413	644
<u>Others</u>		
Provision for warranty (Refer Note below)	1,710	4,908
<b>Total</b>	<b>2,122</b>	<b>5,552</b>

The movement represents the provision created for the year in accordance with the Company's accounting policy after considering the actual settlements made during the year.

**Note: Provision for Warranty**

Particulars	As at	
	31 March 2021	31 March 2020
Balance as at beginning of the year	4,908	4,911
Additions during the year	-	3,551
Amounts used during the year	(3,198)	(3,555)
Balance as at end of the year	1,710	4,908

**18 Other Current liabilities**

Particulars	As at	
	31 March 2021	31 March 2020
Statutory remittances (Contributions to PF and ESIC, Withholding taxes, Excise duty, VAT, Service Tax, GST)	18,007	1,973
Advance received from customers	4,686	16,952
Gratuity payable (Refer Note 31)	385	590
<b>Total</b>	<b>23,078</b>	<b>19,515</b>

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

**19 Revenue from operations**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
(A) Sale of Products (Refer Note 19.1 below)	7,16,709	9,11,424
Less: Sales Incentives	(98)	(1,937)
	<b>7,16,611</b>	<b>9,09,487</b>
<u>B. Other operating revenues</u>		
Scrap sales	32,730	42,351
Export Benefits	7,227	15,103
Income from lease of machinery	104	188
Other Income-tools	134	1,514
	<b>40,195</b>	<b>59,156</b>
<b>Total</b>	<b>7,56,806</b>	<b>9,68,643</b>

**19.1 Disaggregation of the revenue Information**

The table below presents disaggregated revenues from contracts with customers by geography and offerings for each of our business segments.

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<b>Revenue by Geography</b>		
India	5,19,863	6,28,239
Outside India	1,96,846	2,83,185
<b>Total - Sale of Products</b>	<b>7,16,709</b>	<b>9,11,424</b>
<b>Revenue by offerings</b>		
<b>Manufactured goods</b>		
Industrial Chains & Sprockets	7,16,709	9,11,424
<b>Total - Sale of Products</b>	<b>7,16,709</b>	<b>9,11,424</b>
<b>Timing of recognition</b>		
Goods transferred at a point in time	7,16,709	9,11,424
<b>Total - Sale of Products</b>	<b>7,16,709</b>	<b>9,11,424</b>

**19.2 Trade Receivables and Contract Balances**

The company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods / services are delivered / performed to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

**19.3 Performance obligations and remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in IND AS - 115, the Company has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

**20 Other income**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<u>a) Interest income earned on financial assets that are not designated as at fair value through profit or loss:</u>		
Bank deposits (at amortized cost)	7,863	4,536
<u>b) Other non-operating income</u>		
Foreign exchange gain	-	1,111
Reversal of provision for warranty	1,000	
Reversal of provision for doubtful receivables	1,961	
Profit on sale of assets	6	
<b>Total (a+b)</b>	<b>10,830</b>	<b>5,647</b>



**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2019  
(All amounts are in thousands of Indian Rupees, unless otherwise stated)

<b>Renold Chain India Private Limited</b> <b>Notes to the financial statements for the year ended 31st March 2021</b> <b>All amounts are in Rs. in Thousands unless otherwise stated</b>		
<b>21 Cost of Raw material and components consumed</b>		
Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<u>(a) Raw material and components consumed</u>		
Inventory at the beginning of the year (Refer Note 7)	80,162	93,373
Add: Purchases	3,42,928	4,29,619
Less : Inventory at the end of the year (Refer Note 7)	(1,19,549)	(80,162)
<b>Cost of Raw material and components consumed</b>	<b>3,03,541</b>	<b>4,42,830</b>
<u>(b) Changes in inventories of work-in-process and finished goods</u>		
<u>Inventories at the end of the year</u>		
Finished Goods	19,067	66,026
Work-in-progress	39,850	33,648
	<b>58,917</b>	<b>99,674</b>
<u>Inventories at the beginning of the year</u>		
Finished Goods	66,026	25,998
Work-in-progress	33,648	42,071
	<b>99,674</b>	<b>68,069</b>
<b>Net Decrease/ (Increase)</b>	<b>40,757</b>	<b>(31,605)</b>
<b>22 Employee benefit expenses</b>		
Particulars	For the Year Ended	
	31 March 2021	31 March 2020
Salaries and Wages	80,814	1,06,512
Contribution to provident and other funds (Refer Note 31)	4,386	4,883
Gratuity expense (Refer Note 31)	1,170	1,303
Staff welfare expenses	4,466	8,632
<b>Total</b>	<b>90,836</b>	<b>1,21,330</b>
<b>23 Finance costs</b>		
Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<u>Interest costs :</u>		
Interest expense	263	341
Interest on Income Tax	44	1,615
<b>Total</b>	<b>307</b>	<b>1,956</b>

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited**

Notes to the financial statements for the year ended 31st March 2021

All amounts are in Rs. in Thousands unless otherwise stated

**24 Depreciation and amortization expense**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
Depreciation of property, plant and equipment	23,663	23,141
Amortization of intangible assets	56	54
<b>Total</b>	<b>23,719</b>	<b>23,195</b>

**25 Other Expenses**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
Auxiliary material and processing charges	30,609	48,762
Power and Fuel	27,747	38,396
Stores and spare parts consumed	18,182	32,844
Packing materials consumed	21,962	29,462
Management and Service Fees	17,744	20,297
Freight and forwarding charges	15,634	20,391
Rates and taxes	4,372	3,918
Travelling and conveyance	927	7,554
Legal and professional charges (Refer Note 25.1 below)	9,556	13,697
Repairs and Maintenance		
- Buildings	434	2,773
- Machinery	11,605	28,957
- Others	23,948	19,012
Insurance	4,928	4,024
Security agency	2,602	2,723
Warranty expense	-	3,357
Communication expenses	917	1,164
Net loss on foreign currency transactions and translation	2,870	-
Provision for doubtful receivables (net of reversal)	-	7,394
Corporate Social Responsibility (CSR) expenses (Refer Note 25.2 below)	2,270	1,653
Loss on sale of assets	-	8
Miscellaneous expenses	25,050	18,569
<b>Total</b>	<b>2,21,357</b>	<b>3,04,939</b>

**25 Legal and professional charges includes the following:**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<b>Payments to auditors</b>		
Statutory audit fees	900	850
Tax audit	250	250
For other services	550	600
Out of pocket expenses	40	40
<b>Total</b>	<b>1,740</b>	<b>1,740</b>

**25 Corporate Social Responsibility**

As per Section 135 of the companies act, 2013, the Company needs to spend 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has incurred CSR expenditure on activities specified in Schedule VII of the Companies act, 2013.

(a) Gross amount required to be spent by the company during the year is Rs 2,247 actual and spent 2020-21 **Rs 2,270**

(b) Amount spent during the year on:

Particulars	For the year	
	2020-21	2019-20
Spent on Govt School toilet and Ultra sona graphy machine for Govt Hospital	2,270	1,653
<b>Total</b>	<b>2,270</b>	<b>1,653</b>

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021**

All amounts are in Rs. in Thousands unless otherwise stated

**26 Income Taxes****26.1 Income tax expense recognised in statement of profit and loss**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<b>Current tax</b>		
In respect of current year	22,256	28,837
	<b>22,256</b>	<b>28,837</b>
<b>Deferred tax</b>		
In respect of current year	(150)	(1,757)
<b>Total income tax expense recognised in the current year</b>	<b>22,106</b>	<b>27,080</b>

**26.2 Income Tax recognised in Other Comprehensive Income**

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
<b>Deferred tax:</b>		
Remeasurements of the defined benefit liabilities/(asset)	310	(354)
<b>Total income tax recognised in other comprehensive income</b>	<b>310</b>	<b>(354)</b>

Bifurcation of the income tax recognised in other comprehensive income into:-

Items that will not be reclassified to profit or loss	310	(354)
Items that will be reclassified to profit or loss	-	-

**26.3 Income tax reconciliation**

A reconciliation of income tax expense applicable to accounting profit/(loss) before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows

Particulars	For the year ended	
	31 March 2021	31 March 2020
Profit before tax	87,119	1,11,645
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	21,926	28,101
Effects of amounts disallowed in the computation of total income	330	575
Deferred Tax Adjustment	(150)	1,757
Effects of changes in the tax rates	-	1,788
Adjustments recognised in the current year in relation to current tax of prior years	-	1,625
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>22,106</b>	<b>27,082</b>

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2019  
(All amounts are in thousands of Indian Rupees, unless otherwise stated)

Renold Chain India Private Limited  
Notes to the financial statements for the year ended 31st March 2021  
All amounts are in Rs. in Thousands unless otherwise stated

**27 Earnings per share**

Particulars	For the year ended	
	31 March 2021	31 March 2020
Basic earnings per share	2.11	2.75
Diluted earnings per share	2.11	2.75
The calculation of the Basic and Diluted Earnings per share is based on the following data		
<b>Profits for the year after tax</b>	<b>65,013</b>	<b>84,565</b>
Weighted average number of shares outstanding during the year		
Basic	3,07,50,000	3,07,50,000
Diluted	3,07,50,000	3,07,50,000

**28 Segment information**

The Company is exclusively engaged in the business of manufacture and sale of industrial chains and sprockets and this is the only segment analysed by the Chief Operating Decision Maker (CODM), as defined under the accounting standard. Accordingly, no additional disclosures have been made.

**Geographical Information**

Particulars	Revenue		Carrying amount of Non-Current Assets	
	2020-21	2019-20	31 March 2021	31 March 2020
India	5,19,863	6,28,239	2,76,025	3,00,925
Europe	72,421	1,71,230	-	-
United States of America	68,282	56,895	-	-
Rest of the world	56,142	55,061	-	-
<b>Total</b>	<b>7,16,709</b>	<b>9,11,424</b>	<b>2,76,025</b>	<b>3,00,925</b>

The Company has a manufacturing unit only in India, and all capital expenditure is incurred only in India.

**RENOLD****Notes forming part of financial statements for the year ended March 31, 2020****(All amounts are in thousands of Indian Rupees, unless otherwise stated)**

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

**29 Contingent liabilities and commitments**

Particulars	As at	
	31 March 2021	31 March 2020
<b>A.Contingent Liabilities</b>		
CENVAT credit recognized disputed by authorities**	-	-
Income Tax demand*	19,010	1,435
Sales Tax Matters **	-	-

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Unpaid (Rs.)
Income Tax Act, 1961	Income -Tax	Assistant Commissioner of Income Tax, Chennai (Assessing Officer)	FY 2012- 13	208.35
Income Tax Act, 1961	Income -Tax	E-Assessment Centre	FY 2017-18	76
Income Tax Act, 1961	Income -Tax	E-Assessment Centre	FY 2013-14 to FY 2016-17	18,726

**19,010**

\* The Company received demand orders dated 31 March 2021 from the Income-tax Department for non-deduction of Withholding Taxes on Various Management Service Charges (MSC) amounting to Rs 139 Million paid to Renold UK, during the financial years from 2013-14 to 2016-17.

The Company has filed appeals on 29 April 2021 challenging the demand.

\*\* During Financial Year 2019-20 Company cleared CENVAT Dsputes through Sabka Vishwash scheme.

\*\* Cases Pending with sales tax authority cleared as company received orders for closure of such demands.

**B.Commitments**

Particulars	As at	
	31 March 2021	31 March 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
- for the acquisition of property, plant and equipment	8,040	9,999

**30 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at	
	31 March 2021	31 March 2020
(i) Principal amount remained unpaid to any supplier as at the accounting year	717	12,569
(ii) Interest due thereon remaining unpaid to any supplier as at the end of accounting year	-	-
(iii) The amount of interest paid along with the amounts of the payments made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest as above are actually paid	-	-

Dues to Micro and small enterprises have been determined to the extent such parties have been identified on the basis of the information collected by the management.  
This has been relied upon by the auditors.

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

### **31 Employee benefit plans**

#### **a) Defined contribution plans**

The Company makes Provident fund contributions to defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable by the Company to these plans are at the rates specified in the rules of the schemes.

Particulars	For the year	
	2020-21	2019-20
Contribution to provident fund recognized in profit and loss	4,386	4,883
Contribution to Employee state insurance plan recognized in profit and loss	880	1,088

#### **b) Defined benefit plans**

The company has a defined gratuity plan. Every employee who has completed Five years or more of service gets a gratuity on departure at 15 days salary (based on the last drawn remuneration) for each completed year of service. The scheme is fully funded with an insurance company in the form of qualifying insurance policy.

### **ASSUMPTIONS**

The principal assumptions used for the purposes of the actuarial valuations are given below

Particulars	As at	
	31 March 2021	31 March 2020
Expected Return on Plan Asset	6.33%	6.04%
Discount rate	6.33%	6.04%
Rate of salary increase	6.50%	6.50%
Rate of employee turnover	For service 4 years and below 10% p.a	
	For service 5 years and above 6% p.a	
Mortality Rate During Employment	Indian assured lives mortality(2006-08)	
Mortality Rate After Employment	NA	

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

The details of actuarial valuation in respect of Gratuity and superannuation liability are given below:

Particulars	Gratuity	
	As at	
	31 March 2021	31 March 2020
i. Projected benefit obligation as at beginning of the year	18,016	15,422
Service cost	1,135	933
Interest cost	1,088	1,170
Remeasurment(gain)/loss		
Actuarial (gain)/loss -due to change in demographic assumption		
Actuarial (gain)/loss-Due to change in financial assumptions	(310)	1,648
Actuarial (gain)/loss arising from experience adjustments	(917)	(356)
Benefits paid	(2,187)	(801)
<b>Projected benefit obligation at the end of the year</b>	<b>16,825</b>	<b>18,016</b>

Particulars	Gratuity	
	As at	
	31 March 2021	31 March 2020
ii. Fair value of plan assets as at beginning of the year	17,426	15,617
Interest Income	1,053	1,185
Contributions	144	1,539
Benefits paid	(2,187)	(801)
Remeasurment gain/(loss)	-	-
Return on plan asset excluding interest income	5	(113)
<b>Fair value of plan asset at the end of the year</b>	<b>16,440</b>	<b>17,426</b>
<b>iii. Amount recognized in the balance sheet</b>		
Projected benefit obligation at the end of the year	(16,825)	(18,016)
Fair value of the plan assets at the end of the year	16,440	17,426
<b>(Liability) / Asset recognized in the Balance sheet - net</b>	<b>(385)</b>	<b>(590)</b>
<b>iv. Net interest cost for the period</b>		
Present value of benefit obligation at the beginning of the year	18,016	15,422
(Fair value of plan asset at the beginning of the period)	(17,426)	(15,617)
<b>Net liability/(Asset) at the beginning</b>	<b>590</b>	<b>(195)</b>
<b>v. Interest cost</b>		
(Interest income)	1,088	1,170
(Interest income)	(1,053)	(1,185)
Net interest cost for the current period	36	(15)
<b>Total cost of the defined benefit plan for the year</b>		
<b>vi. Expenses recognized in statement of profit &amp; loss</b>		
Current service cost	1,135	933
Net interest cost for the current period	36	(15)
<b>Expenses Recognized</b>	<b>1,170</b>	<b>918</b>
<b>vii. Expenses recognized in other comprehensive income</b>		
Actuarial(gain)/losses on obligation for the period	(1,227)	1,293
Return on plan asset excluding interest income	(5)	113
<b>Net (income)/Expense recognized in OCI</b>	<b>(1,232)</b>	<b>1,406</b>

**Sensitivity analysis**

		31 March 2021	31 March 2020
i	Project benefit obligations on current assumptions	16,825	18,016
ii	Delta effect of + 1% change in rate of discounting	(997)	(1,095)
iii	Delta effect of - 1% change in rate of discounting	1,113	1,227
iv	Delta effect of + 1% change in rate of salary increase	1,101	1,210
v	Delta effect of -1% change in rate of salary increase	(1,004)	(1,101)
vi	Delta effect of + 1% change in rate of employee turnover	(22)	(44)
vii	Delta effect of -1% change in rate of employee turnover	23	47

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

### 32 Financial instruments

(i) **Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the company, the primary objective of the company's capital management is to maximize the shareholder value.

The Company's objective when managing capital are to Safeguard their ability to continue as a going concern, so that they can continue to provide return for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the weighted

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares, or sell non-core assets to reduce the debt.

(ii) **Loan covenants**

There were no term loans or other borrowings outstanding as of March 2021.

(iii) **Categories of Financial instruments**

Particulars	As at	
	31 March 2021	31 March 2020
<b>A. Financial Assets</b>		
<b>Measured at amortized cost</b>		
(a) Cash and Bank balances	73,067	1,90,195
(b) Other Financial assets Measured at cost	1,13,536	97,492
(c) Security Deposits	6,597	7,370
<b>Measured at fair value</b>		
(a) Investments	1,442	1,442
	<b>1,94,642</b>	<b>2,96,499</b>
<b>B. Financial liabilities</b>		
Measured at amortized cost (including trade payable balances)	<b>1,83,407</b>	<b>1,97,105</b>

(iv) **Financial risk management objectives**

The Company's activities expose it to market risk, liquidity risk and credit risk. The table given below explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
<b>a. Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Aging analysis Credit ratings Financial analysis	Diversification of Short term investments, review of credit limits and credit locks and secured mode of payment
<b>b. Market risk</b>			
<b>i. Market risk - foreign exchange</b>	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Foreign exchange forward contracts
<b>ii. Market risk - Interest rate</b>	Long-term borrowings at variable rates	Sensitivity analysis	Market trends and negotiation
<b>iii. Market risk - Price risk</b>	Investment in securities	Sensitivity analysis	Portfolio diversification
<b>c. Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of sanctioned credit lines and borrowing facilities

The Company's risk management is governed by policies monitored by Group Treasury. Company's treasury identifies, evaluates and hedges financial risks in close co-ordination with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity in short term Fixed Deposits.



**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021****All amounts are in Rs. in Thousands unless otherwise stated****Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining the fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

**(a) Financial assets and liabilities valued at fair value**

	As at March 31, 2021			As at March 31, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
Investment in equity instruments (Other than in subsidiaries)	-	-	1,442	-	-	1,442.00
	-	-	<b>1,442</b>	-	-	<b>1,442.00</b>

**(b) Financial assets and liabilities measured at amortised cost**

The Company has not disclosed fair values of financial instruments such as trade receivables, cash and cash equivalents, other Bank balances, security deposits, loans and advances to related parties, lease rental receivables, interest accrued on fixed deposits, certain advances to employees, trade payables and employee benefits payables (that are short term in nature), because their carrying amounts are reasonable approximations of their fair values.

**(c) Offsetting**

The Company has not offset financial assets and financial liabilities as at 31 March 2021 and 31 March 2022.

**Measurement of fair values****Valuation technique****(i) Investment in equity instruments**

The carrying value and fair value of the Investment is expected to be the same since the transfer value at any point in time would be the par value of the share.

**a. Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**a(i) Trade receivables**

Customer credit risk is managed by each business unit under the guidance of the credit policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on this evaluation, credit limit and credit terms are decided. Exposure on customer receivables are regularly monitored and managed through credit lock and release.

The impairment is based on expected credit loss model considering the historical data and financial position of individual customer at each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note: 8.2. The Company does not hold any collateral as security.

**a(ii) Financial Instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made for short-term deposits with banks. The Investment limits are set out per the value of total fixed deposit in Banks to minimize the concentration risk.

The Company has no exposure to credit risk relating to these cash deposits as at: 31st March 2021 and 31st March 2020.

**b Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits.

Market risk exposures are measured using sensitivity analysis. There has been no change in the measurement and management of the Company's exposure to market risks.

**Renold Chain India Private Limited**  
**Notes to the financial statements for the year ended 31st March 2021**  
**All amounts are in Rs. in Thousands unless otherwise stated**

**b(i) Foreign currency risk management**

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Company has not entered into any derivative contracts during the year ended 31 March 2021 and there are no outstanding contracts as at 31 March 2020.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in Foreign Currency	Amount Rs. In '000	Amount in Foreign Currency	Amount Rs. In '000
Trade Payables	USD	(12,396)	(907)	(12,456)	(939)
Trade Payables	EUR	(3,145)	(270)	(24,869)	(2,056)
Trade Payables	GBP	-	-	(6,37,142)	(59,579)
Receivables - Other Current Assets	USD	5,06,670	37,053	1,69,037	12,747
Receivables - Other Current Assets	EUR	1,34,783	11,586	1,98,972	16,451
Receivables - Other Current Assets	GBP	19,867	2,005	2,820	264

(- )denotes payable, (+) denotes receivable

**Foreign Currency sensitivity analysis:**

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

**Impact on Profit and loss for the reporting period**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2020
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	1,898	(1,898)	684	(684)
EURO	593	(593)	929	(929)
GBP	100	(100)	2,995	(2,995)

**Impact on total equity as at end of the reporting period**

Particulars	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	1,898	(1,898)	684	(684)
EURO	593	(593)	929	(929)
GBP	100	(100)	2,995	(2,995)

**Note :**

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

**b(ii) Interest rate risk management**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company has been availing the borrowings on a fixed and variable rate of interest. These borrowings are carried at amortized cost. The borrowings on a fixed rate of interest basis are not subject to the interest rate risk as defined in Ind AS 107, since neither the carrying amount nor future cash flows will fluctuate because of change in market interest rates. The borrowings on a variable rate of interest are subject to interest rate risk as defined in Ind AS 107.

## **RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

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### **Renold Chain India Private Limited**

**Notes to the financial statements for the year ended 31st March 2021**

**All amounts are in Rs. in Thousands unless otherwise stated**

#### **33 Related Party Disclosure**

i) The list of related parties as identified by the management and relied upon by the auditors are as under

##### **Holding company**

Renold International holdings limited-UK

##### **Ultimate Holding company**

Renold Plc, UK

##### **Fellow Subsidiaries**

Renold Transmission limited, singapore

Renold power transmission limited,UK (Formerly known as Renold Chain, UK)

Renold Jeffrey, USA

Brampton Renold SA, France

Renold GmbH, Uslar

Renold (Malaysia) sdn.bhd,Malaysia

Renold Gears, Milnrow

Renold Canada Limited, Canada

Renold (China) Transmission,Changzhou City

Renold (China) Transmission Product (Formerly Known as Renold hangzhou Co limited, China)

Renold Australia, Austrailia

Renold Crofts(PTY ) Limited, Benoni

##### **Key Managerial personnel**

S.Ramachandran, Managing director

Rakesh Kailash Sharma , Chief Financial Officer

T.Vinoth Kumar, Company secretary

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

**Renold Chain India Private Limited**

Notes to the financial statements for the year ended 31st March 2021

All amounts are in Rs. in Thousands unless otherwise stated

**33A Related party transactions :**

Particulars	Ultimate Holding Company		Parties Having Significant Influence		Fellow Subsidiaries		Key management personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<b>Sale of Industrial chains</b>								
Renold Power Transmission Limited, UK					5,776	39,009		
Renold Jeffrey, USA					46,179	45,795		
Renold GmbH, Einbeck					12	23		
Renold GmbH, Uslar					27,374	76,807		
Renold (Malaysia) sdn.bhd, Malaysia					5,738	1,921		
Renold (China) Transmission Product					4,042	2,166		
Renold - Canada					754	1,773		
Renold (China) Transmission					-	1,057		
Renold(Switzerland)GmbH					-	921		
L.G Balakrishnan & Bros Limited			-	189				
Renold australia, australia					604	4,372		
Renold Crofts(PTY ) Limited, Benoni								
<b>Scrap sales</b>								
L.G Balakrishnan & Bros Limited			-	28				
<b>Purchase of diesel</b>								
L.G Balakrishnan & Bros Limited			-	1,125				
<b>Reimbursement Received</b>								
L.G Balakrishnan & Bros Limited			-	3,737				
Renold Gears, Milnrow					1,522	1,587		
Renold Gears, Milnrow Tour recharge					51	462		
<b>Debit Notes</b>								
Renold gmbh, Germany					441			
<b>Credit Notes</b>								
Renold GmbH, Uslar					1,787			
Renold Jeffrey, USA					395			

**RENOLD**

Notes forming part of financial statements for the year ended March 31, 2020

(All amounts are in thousands of Indian Rupees, unless otherwise stated)

Renold Chain India Private Limited									
Notes to the financial statements for the year ended 31st March 2021									
All amounts are in Rs. in Thousands unless otherwise stated									
33A	Related party transactions : (contd)								
	Particulars	Ultimate Holding Company		Parties Having Significant Influence		Fellow Subsidiaries		Key management personnel	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
	Purchase of Raw material and components								
	L.G Balakrishnan & Bros Limited			-	1,125				
	Purchase of finished goods and components								
	Renold gmbh, Germany					106			
	Renold China Transmission Products					2,849	1,105		
	RENOLD GMBH, GRONAU					3,047	627		
	Calibaration & Testing charges								
	L.G Balakrishnan & Bros Limited			-	132				
	Management service charges paid								
	Renold Plc, UK	17,392	20,297						
	IT&Insurance charges Paid								
	Renold Plc, UK	22,082	14,179						
	GST Salary & other recharges								
	Renold Plc, UK	2,534	2,634						
	Server purchase & M3 Expenses								
	Renold Plc, UK	3,354	18,849						
	Dividend paid								
	Renold International Holdings Ltd	1,54,516							
	Renold Plc, UK	0							
	Managerial Remuneration								
	S.Ramachandran, Managing director								
	Short term employee Benefits Expense							5,601	5,967
	Contribution to defined benefit plans							138	138
	Rakesh Sharma Kailash, Chief Financial Officer								
	Short term employee Benefits Expense							1,764	920
	Contribution to defined benefit plans							62	31
	T.Vinoth Kumar, Company secretary								
Short term employee Benefits Expense							1,135	1,193	
Contribution to defined benefit plans							35	34	
Balances outstanding at the year end									
Payables:									
Renold Plc, UK	-	59,579							
L.G. Balakrishnan & Bros Limited			-	7,170					
Renold gmbh, Germany-Einbeck					-	1,361			
Renold Jeffrey					-	4			
Renold Gmbh, Gronau					270	660			
Receivables:									
Renold Plc, UK	449								
Renold Power Transmission Limited, UK					1,556	264			
Renold Gmbh, Uslar					157	706			
L.G. Balakrishnan & Bros Limited			-	592					
Renold Jeffrey, USA					13,291	1,983			
Renold - Canada					765				
Renold (China) Transmission Product					435				
Renold Australia Pty Ltd					-	1,274			
Renold (Malaysia)Sdn.Bhd., Malaysia					-	492			

**Renold Chain India Private Limited****Notes to the financial statements for the year ended 31st March 2021****All amounts are in Rs. in Thousands unless otherwise stated****34 COVID19 (Pandemic):**

The Management has considered the possible effects if any that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets. The management has used internal and external sources of information to the extent determined by it, as at the date of approval of these financial statements, in estimating the recoverable amounts of these assets. The actual outcome of these assumptions and estimates may vary in future

**35 Approval of Financial statements**

The Financial statements were reviewed and approved by the Board of Directors in their meeting held on 27th September 2021.

**For and on behalf of the Board of Directors**

**S. Ramachandran**  
Managing Director  
DIN: 03535894

**Michael Peter Wallwork**  
Director  
DIN: 07291292

**Rakesh Kailash Sharma**  
Chief Financial Officer

**T. Vinoth Kumar**  
Company Secretary  
ACS No.F10471

Place: Dindigul  
Date: 27.09.2021

**Form No. MGT-11****Proxy form**

**[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

**CIN: U27109TZ2008FTC017737****Name of the company:** Renold Chain India Private Limited**Registered office:** 568/1A, 569/ 1 & 2 D. Gudalur ( P.O ), Guziliamparai ( T.K ) Dindigul, Tamil Nadu – 624620, India**Name of the member (s) :****Registered address :****E-mail Id:****Folio No/ Client Id :****DP ID :**

I/We being the Member(s) / Members of \_\_\_\_\_ shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

2. Name \_\_\_\_\_

Address \_\_\_\_\_

E mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, September 30, 2020, at 10:00 A.M at 568/1A, 569/ 1 & 2 D. Gudalur (P.O.), Guziliamparai (T.K.) Dindigul, Tamil Nadu – 624620, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1. Adoption of Audited Financial Statements

Resolution No. 2. Appointment of Mr James Robert Haughey as a Director

Signed this..... day of..... 2021.

\_\_\_\_\_  
Signature of Member/s as per specimen signature on Company's record

\_\_\_\_\_  
Signature of Proxy holder(s)

Please affix

Re. 1/-  
Revenue

**Note: This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company or at the venue of the meeting before the commencement of the meeting.**

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF VENUE

Member/Proxy

\_\_\_\_\_

(First)

(Middle)

(Surname)

I hereby record my presence at the Annual General Meeting of Renold Chain India Private Limited held on Wednesday, September 29, 2021, at 2.30 P.M at 568/1A, 569/ 1 & 2 D. Gudalur (P.O.), Guziliamparai (T.K.) Dindigul, Tamil Nadu – 624620, India.

Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

(Signature of Member/s or Proxy)