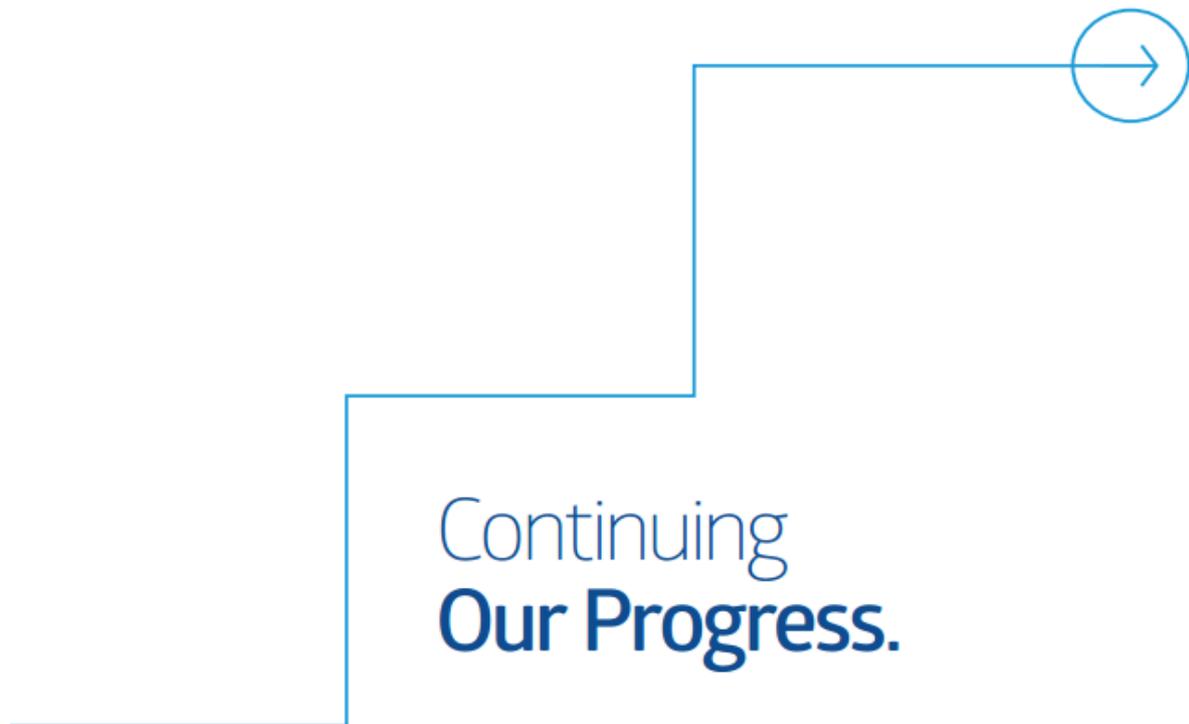


RENOLD

Renold Chain India Private Limited
16th Annual Report

Re-engineering our future.



CORPORATE INFORMATION

BOARD OF DIRECTORS

S Ramachandran

Michael Peter Wallwork

James Robert Haughey

COMPANY SECRETARY

T Vinothkumar

AUDITORS

MSKA AND ASSOCIATES

BANKERS

The Federal Bank Limited

State Bank of India

HDFC Bank Limited

HSBC Limited

Punjab National Bank

REGISTERED OFFICE

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

Guzliamparai Taluk

Dindigul 624 620

CIN: U27109TZ2008FTC017737

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16TH ANNUAL GENERAL MEETING

DATE : 30.09.2024

DAY : Monday

TIME : 10:00 Hrs

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

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

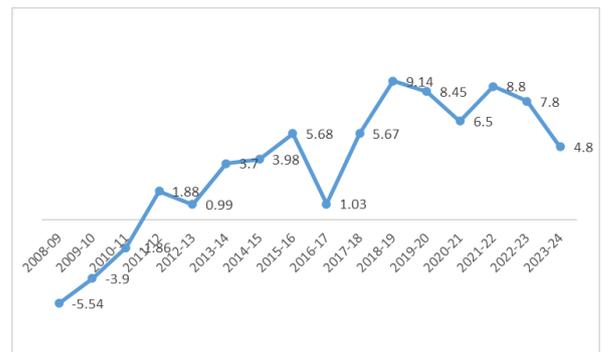
We work closely alongside our customers to design and manufacture industrial chains and provide solution to specific application needs. Our solution delivers excellent fatigue life, consistent reliability and long life demanding industrial applications. We are committed to focus on improving existing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

FINANCIAL HIGHLIGHTS

Total Revenue (Net) – Rs. In Crores



Total Revenue (Net) – Rs. In Crores



NOTICE

SHORTER NOTICE is hereby given that the **16th Annual General Meeting** of Members of Renold Chain India Private Limited (the 'Company') will be held on Monday, the 30th day of September 2024 at 10:00 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 31st March, 2024 together with the reports of the Board of Directors and Auditors thereon.

SPECIAL BUSINESS:

Item No 2 – Ratification of remuneration payable to the Cost Auditor

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

RESOLVED THAT pursuant to section 148 (3) and other applicable provision if any of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) the remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) excluding all taxes and reimbursement of out of pocket expenses to Mr B Venkateswar, Cost Accountant (Membership Number: 27622) who has been reappointed by the board of Directors as Cost Auditor to conduct the audit of cost records of the Company for the financial year ending 31st March 2025 be and is hereby ratified and approved.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

Date: 26.09.2024

Place: Dindigul

By the Order of Board

Renold chain India Private Limited

Sivavadivelu Ramachandran

Managing Director

DIN No: 03535894

Residential address:

3C, Apple Paradise Apartments,
SF643, Andan Kovil East Po
Reddipalayam, Ponnagar,
Andankovil East Karur,
Tamil Nadu – 639002, India

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. Shareholders/proxies/authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the Annual General Meeting.
4. 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE

Item No:2

The Board of Directors has approved the appointment and remuneration of Mr B Venkateswar, Cost Accountant (Membership No.27622) as Cost Auditor to conduct the audit of the cost records of the Company for the Financial Year 2024-2025, subject to ratification by the Members. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor must be ratified by the Members of the Company.

Accordingly, the approval of the Members is sought for passing Ordinary Resolution as set out in Item No.2 of the Notice for ratification of the remuneration payable to the Cost Auditor for conducting the Cost Audit of the Company for the Financial Year ending on March 31, 2025. The Board recommends the Ordinary Resolution as set out in Item No.2 of the notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives, financially or otherwise, is concerned or interested in the proposed Ordinary Resolution as set out at Item No.2 of the Notice.

Date: 26.09.2024

Place: Dindigul

By the Order of Board
Renold chain India Private Limit
Sivavadivelu Ramachandran
Managing Director
DIN No: 03535894
Residential address:
3C, Apple Paradise Apartments,
SF643, Andan Kovil East Po
Reddipalayam, Ponnagar,
Andankovil East Karur,
Tamil Nadu – 639002, India

DIRECTOR'S REPORT

Dear shareholders

Your Directors take pleasure in presenting the 16th Annual Report covering the highlights of the finances, business and operations of your Company. Also, included herein the audited financial statements of the Company prepared in compliance with the IND AS Accounting Standards for the year ended 31st March 2024.

COMPANY SPECIFIC INFORMATION

FINANCIAL RESULTS

The Summary of the financial performance of the company for the year ended 31st March 2024 as compared to the previous year is as below:

All amounts are in Lakhs of Indian Rupees

Particulars	31-03-2024	31-03-2023
Total Revenue	10,012	11,570
Profit before interest, depreciation & tax	956	1,519
Less: Depreciation and amortization Expenses	260	317
Less: Finance Cost	0	4
Profit Before Tax	696	1,199
Less: Tax Expenses		
(a) Current Tax	146	385
(b) Deferred Tax	52	28
Other comprehensive income	2.60	1
Profit after Tax & comprehensive income	501	787

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

A detailed analysis of the financials and business performance of the Company during the year under review is provided below.

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Total Revenue from operations is Rs. 100.12 crores against Rs. 115.70 crores in the previous year. The Profit after tax for the current year is Rs 5.01Crores as against Rs 7.87Crores in the previous year.

ERP SYSTEM IMPLEMENTATION

The Company has migrated successfully from SAP to M3 Infor effective from 1st February 2024. The migration date was fixed only after performing necessary BRT and CRP. Necessary audit trails were performed by the implementation & audit team during the time of Migration of the data. Bar Coding system has been implemented in the shop floor which will enable to capture the real time data. Long Run scanners are used to capture the data. Adequate computers in the shopfloor have been installed in the shopfloor for the purpose of recording the data. Every employee of the Company has been given necessary training to work in new ERP environment. To strengthen the IT Infrastructure, the Company has strengthened its wifi signal range by installing New Access Point (AP) in the shopfloor, replacing computer systems (including Laptops) which are more than 5 years.

CHANGE IN NATURE OF BUSINESS

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

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

Considering the continuous investments in capital expenditure which has been estimated for the Financial Year 2024-25, your Directors regret their inability to recommend the dividend for the Financial Year 2023-24.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to section 125 of the Companies Act 2013, there is no unpaid or unclaimed fund in the Company to be transferred to IEPF.

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 2023-24 and the date of this report.

CAPITAL AND DEBT STRUCTURE

SHARE CAPITAL

The Authorised Share capital of the Company as on 31st March 2024 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 on 31st March 2024 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.

Dematerialization of shares and liquidity

The Company's shares are in dematerialized form held with the Depository, the National Securities Depository Limited ('NSDL').

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares on 24th April 2024 and ISIN is INEOVJ701018.

Reporting on Significant Beneficial Owners

Mr T Vinothkumar, Company Secretary of the Company has been appointed as a Designated Person for furnishing and extending cooperation for providing information to the Registrar or any other authorised officer with respect to the beneficial interest in the shares of the Company on the Board Meeting held on 28.05.2024 as notified under the Companies (Management and Administration) Second Amendment Rules, 2023.

MANAGEMENT

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors

Mr S Ramachandran – Managing Director, Michael Peter Wallwork – Director and James Robert Haughey – Director are the Board of Directors of the Company.

During the year under review, there were no changes made to the Board of Directors of the Company.

Key Managerial Personnel

Mr S Ramachandran, Managing Director 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).

DIRECTORS LIABLE TO RETIRE ROTATION

Being a Private Limited Company Provisions of Section 152 (6) pertaining to the retirement of Directors by rotation at the Annual General Meeting does not apply to our company.

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

During the financial year 2023-24, seven (7) meetings of the Board were held and the gap between two meetings did not exceed one hundred and twenty days. The Board Meetings are prescheduled, and adequate notice is given to the Board of Directors. Board Meetings are generally held at the

registered office of the Company or Renold PLC either through video conference or through physical presence.

These Board Meetings were held on April 25, 2023; August 08, 2023; September 07, 2023; September 25, 2023; November 30, 2023; December 21, 2023 and February 13, 2024. The necessary quorum was present for all the meetings. Leave of absence was granted to the concerned Directors, who could not attend the respective Board Meeting, upon receipt of their request.

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 is not applicable to the Company.

SECRETARIAL STANDARDS

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

COMMITTEES

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, Managing Director of the Company to play the role of Audit Committee for the purpose of Vigil Mechanism to whom other directors and employees may report their concerns.

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.

Being a Private Limited Company, the provisions of Section 197 relating to Overall Managerial Remuneration and the relating rules 4,5,7 of The Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 are not applicable to the Company.

However, the Company would like to update on the details of the employees who 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 as under:

- During the year, Mr S Ramachandran Managing Director of the Company has exercised the Share option allotted to him by Renold Plc. He has exercised 157,607 Shares of Renold Plc and the total value of the same was INR 56,93,426. Being a perquisite under the Income Tax Act, necessary Taxes has been deducted and has been remitted by the Company. The total remuneration received by Mr S Ramachandran, Managing Director (including the perquisites) during the year amounts to INR 1,48,94,665/- (Rupees One Crore Forty Eight Lakhs Ninety Four Thousand Six Hundred and Sixty Five Only).

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 (9) of the Companies Amendment Act, 2020, as the CSR amount spent by the Company does not exceed the amount of 50 Lakhs rupees and hence the functions of the CSR committee is discharged by the Board of Directors of the Company. The CSR Policy is available on the Company's website at <https://www.renold.in/company/investor-relations>

The Company is bound to spend INR 22.75 Lakhs towards Corporate Social Responsibility activities during the financial year 2023-24 and against which the company has spent INR 22.86 Lakhs.

The Company's CSR policy statement and annual report on CSR activities undertaken during the financial year ended 31st March 2024, 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**.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (C) read with section 134 (5) of the Companies Act, 2013 the Board of Directors confirm that, to the best of their knowledge and belief:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- ii. That the Directors had selected such accounting policies 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 as at the end of the financial year and of the profit and loss of the company for that period;
- iii. The 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 and
- 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.

AUDITORS

STATUTORY AUDITORS

As per Section 139 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Members of the Company, at their 15th Annual General Meeting ('15th AGM') held on 29th September 2023, had approved the re-appointment of M/s. M S K A & Associates, Chartered Accountants (Firm Registration No. 105047W), as the Statutory Auditors of the Company to hold such office for a term of five consecutive years from the conclusion of 15th AGM till the conclusion of 20th AGM to be held during the year 2028. Accordingly, no resolution for appointment of statutory auditors is included in the Notice convening the 16th Annual General Meeting.

The Company has also obtained necessary consent under Section 139 and eligibility certificate under Section 141 from the Statutory Auditors to the effect that their appointment is in conformity with the provisions of the Companies Act, 2013.

COST AUDITOR

The Company has made and maintained cost records as specified by the Central Government under Section 148(1) of the Companies Act 2013 and accordingly such accounts and records are maintained by the Company.

In terms of the provisions of sec 148 of the Act read with the Companies (Cost Records and Audit) Rules 2014, the Board of Directors of the Company had appointed Mr B Venkateswar (Membership No. 27622) Cost Accountant as the Cost Auditor to conduct an audit of cost records of the Company for the Financial year 2024-25 and the remuneration payable to him, subject to ratification by the Members by means of passing Ordinary Resolution. As required under the provisions of section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, necessary ordinary resolution seeking Member's ratification for the remuneration payable to the Cost Auditor is included in the Notice convening the 16th Annual General Meeting of the Company.

Further, the Cost Audit Report for the Financial Year 2023-24 will be filed with the Central Government in the prescribed form within the period stipulated under the Companies Act 2013.

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 2023-24.

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.

COMMENTS ON AUDITOR'S REPORT

The Auditors' Report does not contain any qualification, reservation, or adverse remark on the financial statements for the financial year ended March 31, 2024.

The Notes on financial statements referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

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 2023-24.

During the year, the company acquired 1,900 equity shares of Rs.10.00 each, of Saran Electric Energy Private Limited on September 26, 2023 for Rs.19,000/- in order to cater its power need to the tune of 14 Lakhs units of Electricity.

Disclosure on particulars relating to Loans, Advances, Guarantees, and Investments are provided as part of the financial statements.

PARTICULAR OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2023-24, your company has entered into transaction with related parties as defined under section 2(76) of the Companies Act, 2013 read with Companies (Specification of Definition Details) Rules, 2014 all of which were in the ordinary course of business and in accordance with the provisions of Companies Act, 2013. All the transactions were reviewed and approved by the Board of Directors.

The details of related party transactions as per Accounting Standard 18 are set out in the Notes to the Financial Statements forming part of this report.

The material transactions during the year are reported in Form AOC.2.

The Form AOC-2 pursuant to section 134(3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the **Annexure A** to this report.

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, replacing light with solar lights.

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. 27,83,68,212
- II. Foreign Exchange used : Rs. 8,97,84,967

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.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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.

CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

The Company has not made any application or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 ("IBC Code") during the Financial Year and does not have any proceedings related to IBC Code.

DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The Company has not made any onetime settlement during the Financial Year 2023-24 with Banks or Financial Institution and hence, the disclosure under this clause is not applicable.

ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, copies of the Annual Returns of the Company for previous financial years prepared in accordance with Section 92(1) of the Act have been placed on the website and is available at <https://www.renold.in/company/investor-relations/annual-returns>.

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**.

OTHER DISCLOSURES

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.

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.

ENVIROMENT HEALTH AND SAFETY

The Company carries out activities with due attention to Environment, Health & Safety. The Company is committed to maintain its operations and workplace free from incidents and significant risk to the Health & Safety of its stakeholders through improved engineering practises, constant communication, safety awareness, robust checking system and sound training practises and through audits. Safety Awareness are created amongst the workforce by providing the refresher training to the employees by the qualified safety officer of the Company, conducting monthly safety competitions and rewarding the employees, celebrating the Safety Day during March Month, Conducting Mock Drill & Fire Drill etc. Each 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 necessary Personal Protective Equipment’s. This provides an additional layer to ensure that facilities are as safe as possible for every employee. As a result, there were no fatal accidents during Financial Year 2023-24.

INSURANCE

The Company’s plants, properties, equipment’s and stocks are adequately insured against all major risks. The Company has insurance cover for product liability. The Company has also taken Directors’ and Officers’ Liability Policy to provide coverage against the liabilities arising on them.

ACKNOWLEDGEMENT

Your Directors have pleasure in recording their appreciation for all the guidance and co-operation received from all its customers, Members, investors, vendors, partners, bankers, government authorities and other stakeholders for their consistent support to your Company in its operations.

Your Directors take this opportunity to place on record their sincere appreciation of the dedication, contribution and commitment in Company's growth.

<p>Date: 26.09.2024</p>	<p style="text-align: center;">By Order of the Board</p> <table border="0" style="width: 100%;"><tr><td data-bbox="507 703 798 846"><p>S. RAMACHANDRAN MANAGING DIRECTOR DIN NO: 03535894 Place: Dindigul</p></td><td data-bbox="1027 703 1382 846"><p>MICHAEL PETER WALLWORK DIRECTOR DIN NO: 07291292 Place: United Kingdom</p></td></tr></table>	<p>S. RAMACHANDRAN MANAGING DIRECTOR DIN NO: 03535894 Place: Dindigul</p>	<p>MICHAEL PETER WALLWORK DIRECTOR DIN NO: 07291292 Place: United Kingdom</p>
<p>S. RAMACHANDRAN MANAGING DIRECTOR DIN NO: 03535894 Place: Dindigul</p>	<p>MICHAEL PETER WALLWORK DIRECTOR DIN NO: 07291292 Place: United Kingdom</p>		

ANNEXURE 'A' TO THE BOARD'S REPORT**Form No. AOC.2**

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis: There were no transactions or arrangements which were not at arm's length, and which were not in the ordinary course of business during financial year 2023-24.
2. Details of material contracts or arrangements or transactions at arm's length basis:

S.No	Particulars	Details
a)	Name(s) of the related party and nature of relationship	1. Name : Jeffery Chain Corporation Relationship: Fellow Subsidiary Company 2. Name: Renold PLC Relationship: Ultimate Holding Company
b)	Nature of contracts / arrangements / transactions	1. sale of industrial chains and/ or its components 2. Availing of Management related services and/or; Availing of IT/ Insurance related services and/or; Availing of M3 Consulting services and /or; Purchase of IT Hardware related items
c)	Duration of contracts / arrangements / transactions	One Year
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Prices to be paid shall be competitive and based on prevailing the Market prices
e)	Date(s) of approval by the Board, if any	Date of approval in Annual General Meeting: 29.09.2023
f)	Amount paid as advances, if any	NIL
Date: 26.09.2024	By order of the Board	
	S. Ramachandran Managing Director DIN No: 03535894 Place: Dindigul	Michael Peter Wallwork Director DIN No: 07291292 Place: United Kingdom

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

Not Applicable

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

<https://www.renold.in/media/4090342/csr-policy.pdf>

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)

₹.11,37,52,988

7. (a) Two Percentage of average net profit of the Company as per section 135 (5)

₹.22,75,060

(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)	₹.22,75,060

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 proviso to the section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹22,86,871	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 3 smart classrooms at Guziliamparai Higher Secondary School	Schedule VII (ii)	Yes	Tamil Nadu	Dindigul	One Year (Covers 2 F.Y – 2022-23; 2023-24)	31,31,425	13,17,424	-	Yes	NA	NA
	Total						31,31,425	13,17,424				

(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	Purchase of Furnitures, Computers, Projectors, painting Work and Electrical & Civil Work at Guziliamparai Higher Secondary School	Schedule VII (ii)	Yes	Tamil Nadu	Dindigul	6,99,447	Direct	NA	NA

Renold Chain India Private Limited

2	Contribution to Namma School Foundation	Schedule VII (ii)	Yes	Tamil Nadu	Dindigul	2,70,000	Direct	NA	NA
	Total					9,69,447			

(d) Amount spent in Administrative Overheads : NA

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

(f) Total amount spent for the Financial Year : ₹ 22,86,871
(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)	22,75,060
(ii)	Total amount spent for the Financial Year	22,86,871
(iii)	Excess amount spent for the financial year [(ii)-(i)]	11,811
(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)]	11,811

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	2022-23	NIL		Not Applicable			
2	2021-22	NIL					
3	2020-21	NIL					
Total		NIL					

(b) Details of CSR amount Spent in Financial Year for Ongoing Projects of the preceding financial years: ₹13,17,424/- for Construction of 3 smart classrooms at Guziliamparai Higher Secondary School.

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

Date: 26.09.2024	By order of the Board		
	<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p>S. Ramachandran Managing Director DIN No: 03535894 Place: Dindigul</p> </td> <td style="width: 50%; vertical-align: top;"> <p>Michael Peter Wallwork Director DIN No: 07291292 Place: United Kingdom</p> </td> </tr> </table>	<p>S. Ramachandran Managing Director DIN No: 03535894 Place: Dindigul</p>	<p>Michael Peter Wallwork Director DIN No: 07291292 Place: United Kingdom</p>
<p>S. Ramachandran Managing Director DIN No: 03535894 Place: Dindigul</p>	<p>Michael Peter Wallwork Director DIN No: 07291292 Place: United Kingdom</p>		

ANNEXURE 'C' TO BOARD'S REPORT

Annual Report on Complaints received by the Sexual Harassment Committee during the Financial Year Ended 31.03.2024

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

1. Number of Meeting held during the year : 3
2. Number of complaints received during the year : NIL
3. Number of Complaints disposed off during the year : NIL
4. Number of cases pending for more than 90 days : NIL
5. Number of Awareness Program carried during the year : 01
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 2022-2023.

Date: 26.09.2024	By order of the Board	
	S. Ramachandran Managing Director DIN No: 03535894 Place: Dindigul	Michael Peter Wallwork Director DIN No: 07291292 Place: United Kingdom

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Renold Chain India Private Limited**

Report on the Audit of the 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 March 31, 2024, the Statement of Profit and Loss, including Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information. (hereinafter referred to as the "financial statements").

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 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 March 31, 2024, its profit including other comprehensive income, changes in equity and its cash flows 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 (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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 Director's report along with annexures but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report along with annexures has not been made available to us as at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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

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accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph (b) above on reporting under Section 143(3)(b) and paragraph 2(h)(vi) below on reporting under Rule 11(g).
 - (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

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- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv.
 - (1) The Management has represented that, to the best of its knowledge and belief as disclosed in Note 34 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (2) The Management has represented, that, to the best of its knowledge and belief as disclosed in Note 34 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (3) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.
 - v. The Company has neither declared nor paid any dividend during the year.
 - vi.
 - (1) The Company has migrated its accounting software with effect from February 01, 2024 to a new version of accounting software from an erstwhile accounting software that it operated for maintaining its books of account during the period April 01, 2023 to February 01, 2024. Based on our examination, the erstwhile accounting software had a feature of recording audit trail (edit log) facility except that the audit trail feature was not enabled in the accounting software throughout the period.
 - (2) The migrated accounting software used by the Company for maintaining its books of accounts during the period February 01, 2024 to March 31, 2024, is managed and maintained by a third-party software service provider. The accounting software has a feature of recording audit trail (edit log) facility,

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which has been enabled throughout the year for all relevant transactions recorded in the software.

Further, in the absence of independent service auditor's report of the service organisation, we are unable to comment whether the said software has been operated throughout the year for all relevant transactions recorded in the software. Also, we are unable to comment as to whether there were any instances of the audit trail feature been tampered with.

- (3) Based on our examination, the Company has used an accounting software for maintaining its books of accounts which pertains to payroll processing of transactions during the year ended March 31, 2024, which is managed and maintained by a third-party software service provider.

Further, in the absence of independent service auditor's report of the service organisation, we are unable to comment whether the said software has a feature of recording audit trail (edit log) facility, nor are we able to comment on whether the audit trail feature was enabled in the said software and has been operated throughout the year for all relevant transactions recorded in the software. Also, we are unable to comment as to whether there were any instances of the audit trail feature been tampered with.

3. In our opinion, according to information, explanations given to us, the provisions of Section 197 read with Schedule V of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

T V Ganesh
Partner
Membership No. 203370
UDIN:24203370BKBTZJ5849

Place: Chennai
Date: September 26, 2024

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ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF RENOLD CHAIN INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Auditor's Responsibilities for the Audit of the 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 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 with reference to financial statements 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 management and Board of Directors.
- Conclude on the appropriateness of management and Board of Director'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.

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.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

T V Ganesh
Partner
Membership No.203370
UDIN:24203370BKBTZJ5849

Place: Chennai
Date: September 26, 2024

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RENOLD CHAIN INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a)A The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment.
 - B The Company has maintained proper records showing full particulars of intangible assets.
- (b) All the Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the financial statements, are held in the name of the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment and intangible assets during the year. Accordingly, the provisions stated under clause 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988, as amended and rules made thereunder. Accordingly, the provisions stated under clause 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (excluding stocks with third parties and stocks-in-transit) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them and in respect of goods in transit, the goods have been received subsequent to the year end. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such confirmations. In our opinion, the frequency, coverage and procedure of such verification is reasonable and appropriate, having regard to the size of the Company and the nature of its operations. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) The Company has not been sanctioned any working capital limits during the year on the basis of security of current assets. Accordingly, the provisions stated under clause 3(ii)(b) of the Order is not applicable to the Company.

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- iii. According to the information explanation provided to us, the Company has not made any investments in, or provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions stated under clause 3(iii) of the Order are not applicable to the Company.
- iv. According to the information and explanations given to us, there are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Act are applicable and accordingly, the provisions stated under clause 3(iv) of the Order are not applicable to the Company.
- v. According to the information and explanations given to us, the Company has neither accepted any deposits from the public nor any amounts which are deemed to be deposits, within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, the provisions stated under clause 3(iv) of the Order is not applicable to the Company. Also, there are no amounts outstanding as on March 31, 2024, which are in the nature of deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax and other statutory dues have been regularly deposited by the Company with appropriate authorities in all cases during the year.

There are no undisputed amounts payable in respect of Goods and Services tax, provident fund, employees' state insurance, income-tax and other statutory dues in arrears as at March 31, 2024, outstanding for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024, on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount Demanded		Amount Paid		Period to which the amount relates	Forum where dispute is pending
		Rs. Lakhs	In	Rs. Lakhs	In		
The Income Tax Act, 1961	Notice for proceedings u/s 201(1) / 201(1A) of the Income Tax Act, 1961	33.00		6.60		2013-14	Deputy Commissioner of International Taxation, Coimbatore.
The Income Tax Act, 1961	Notice for proceedings u/s 201(1) / 201(1A) of	71.16		14.23		2014-15	Deputy Commissioner of International

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	the Income Tax Act, 1961				Taxation, Coimbatore.
The Income Tax Act, 1961	Notice for proceedings u/s 201(1) / 201(1A) of the Income Tax Act, 1961	44.56	8.91	2015-16	Deputy Commissioner of International Taxation, Coimbatore.
The Income Tax Act, 1961	Notice for proceedings u/s 201(1) / 201(1A) of the Income Tax Act, 1961	38.54	7.71	2016-17	Deputy Commissioner of International Taxation, Coimbatore.
The Income Tax Act, 1961	Notice for proceedings u/s 201(1) / 201(1A) of the Income Tax Act, 1961	2.08	0.00	2012-13	Assistant Commissioner of Income Tax, Chennai (Assessing Officer)
The Income Tax Act, 1961	Notice for proceedings u/s 201(1) / 201(1A) of the Income Tax Act, 1961	0.76	0.00	2017-18	Assistant Commissioner of Income Tax, Chennai (Assessing Officer)

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- ix. The Company does not have any loans or borrowings or interest thereon due to any lenders during the year. Accordingly, the provision stated under clause 3(ix)(a) to (f) of the Order is not applicable to the Company.
- x. (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated under clause 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly, or optionally convertible debentures during the year. Accordingly, the provisions stated under clause 3(x)(b) of the Order are not applicable to the Company.
- xi. (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the

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information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year in the course of our audit.

- (b) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the provisions stated under clause 3(xi)(b) of the Order is not applicable to the Company.
 - (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated under clause 3(xii)(a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by applicable accounting standards. Further, the Company is a private Company and hence the provisions of section 177 of the Act are not applicable to the Company. Accordingly, provisions stated under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act, is not applicable to the Company.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act. Accordingly, reporting under clause 3(xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, in our opinion, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the reporting on compliance with the provisions of Section 192 of the Act in clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) and accordingly, the provisions stated under clause 3(xvi)(a) of the Order are not applicable to the Company.
 - (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year and accordingly, the provisions stated under clause 3(xvi)(b) of the Order are not applicable to the Company.
 - (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the provisions stated under clause 3 (xvi)(c) of the Order are not applicable to the Company.

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- (d) According to the information and explanations provided to us, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any Core Investment Company (as part of its group. Accordingly, the provisions stated under clause 3(xvi)(d) of the order are not applicable to the Company.
- xvii. Based on the overall review of financial statements, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year. Accordingly, the provisions stated under clause 3(xvii) of the Order are not applicable to the Company.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated under clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (as disclosed in note 35 to the financial statements), ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of Section 135 of the Act are applicable to the Company. The Company has made the required contributions during the year and there are no unspent amounts which are required to be transferred either to a Fund specified in Schedule VII of the Act or to a Special Account as per the provisions of Section 135 of the Act read with Schedule VII to the Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable to the Company.
- xxi. According to the information and explanations given to us, the Company does not have any Subsidiary, Associate or Joint Venture. Accordingly, reporting under clause 3(xxi) of the Order is not applicable.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W

T V Ganesh
Partner
Membership No. 203370
UDIN:24203370BKBTZJ5849
Place: Chennai
Date: September 26, 2024

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ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF RENOLD CHAIN INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2024

Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Renold Chain India Private Limited on the Financial Statements for the year ended March 31, 2024

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Renold Chain India Private Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the ¹ financial statements of the Company for the year ended on that date.

Opinion

In our opinion, the Company, has, in all material respects, an adequate internal financial controls with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Managements' and Board of Director's Responsibility for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to the financial statements.

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Meaning of Internal Financial Controls With reference to the Financial Statements

A Company's internal financial control with reference to the financial statements 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 with reference to the financial statements 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 With reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No. 105047W

T V Ganesh

Partner

Membership No.203370

UDIN:24203370BKBTZJ5849

Place: Chennai

Date: September 26, 2024

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Renold Chain India Private Limited				
Balance sheet as at 31 March 2024				
All amounts are in Rs. Lakhs unless otherwise stated				
	PARTICULARS	Note No.	As at 31 March 2024	As at 31 March 2023
	ASSETS			
	Non-Current Assets			
a)	Property, Plant and Equipment	3	2,297.12	1,773.17
b)	Capital work-in-progress	3	91.08	454.88
c)	Intangible assets	4	998.55	10.56
d)	Intangible assets under development	4(a)	-	592.58
e)	Financial assets			
i)	Other financial assets	5	69.18	71.07
f)	Income Tax Assets (net)	10	90.43	-
g)	Other non-current assets	6	143.10	41.34
	Total		3,689.46	2,943.60
	Current assets			
a)	Inventories	7	2,606.34	2,150.40
b)	Financial assets			
i)	Trade receivables	8	1,014.98	1,273.14
ii)	Cash and cash equivalents	9	1,586.11	1,580.47
iii)	Bank balances other than (ii) above	9	0.00	1.50
iv)	Other financial assets	5	3.44	6.33
c)	Other current assets	6	172.92	58.48
	Total		5,383.79	5,070.32
	TOTAL ASSETS		9,073.25	8,013.92
	EQUITY AND LIABILITIES			
	EQUITY			
a)	Equity share capital	13	3,075.00	3,075.00
b)	Other equity	14	3,472.60	2,971.51
	Total		6,547.60	6,046.51
	LIABILITIES			
	Non-current liabilities			
a)	Deferred tax liabilities (net)	11	102.92	50.48
	Total		102.92	50.48
	Current Liabilities			
a)	Financial liabilities			
i)	Trade payables			
-	total outstanding dues of micro enterprises and small enterprises	15	164.31	52.85
-	total outstanding dues of creditors other than micro enterprises and small enterprises		1,954.35	1,473.47
ii)	Other financial liabilities	16	39.57	186.05
b)	Other current liabilities	18	164.67	159.15
c)	Provisions	17	99.83	7.77
d)	Income Tax Liabilities (net)	10	-	37.64
	Total		2,422.73	1,916.93
	Total Liabilities		2,525.65	1,967.41
	TOTAL EQUITY AND LIABILITIES		9,073.25	8,013.92
	Material Accounting Policies	2		
The accompanying notes are an integral part of these financial statements				
<p>In terms of our report attached. For M S K A & Associates Chartered Accountants Firm Registration No.:105047W</p>		<p>For and on behalf of the Board of Directors</p>		
<p>T.V.Ganesh Partner Membership No. 203370 Place: Chennai</p>		<p>S. Ramachandran Managing Director DIN: 03535894 Place : Dindigul</p>	<p>Michael Peter Wallwork Director DIN: 07291292 Place: United Kingdom</p>	
		<p>T. Vinoth Kumar Company Secretary FCS No.F10471 Place: Dindigul</p>	<p>V A David General Manager - Finance & Accounts Place : Dindigul</p>	
Date: 26 September 2024		Date: 26 September 2024		

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Renold Chain India Private Limited
Statement of Profit and Loss for the year ended 31 March 2024
All amounts are in Rs. Lakhs unless otherwise stated

S. No.	Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
	REVENUE:			
I	Revenue from operations	19	9,908.91	11,513.77
II	Other income	20	103.29	56.09
III	Total Income (I+II)		10,012.20	11,569.86
	EXPENSES:			
IV	Cost of raw materials consumed	21(a)	4,919.62	5,074.87
	Purchases of stock in trade		222.29	401.95
	Changes in inventories of finished goods , work-in-progress and stock in trade	21(b)	(426.95)	109.36
	Employee benefit expenses	22	1,374.02	1,400.93
	Finance costs	23	0.00	3.62
	Depreciation and amortization expense	24	259.54	316.84
	Other expenses	25	2,967.61	3,063.56
	Total expenses		9,316.13	10,371.13
V	Profit before tax (III - IV)		696.07	1,198.73
VI	Tax expense			
	a) Current tax	26	146.01	385.00
	b) Deferred tax	26	51.57	27.93
	Total tax expense (net)		197.58	412.93
VII	Profit for the year (V - VI)		498.49	785.80
VIII	Other comprehensive income			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement gain/(loss) on defined benefit obligation		3.47	0.79
	(ii) Income tax relating to items that will not be reclassified to profit or loss	26	(0.87)	-
	Total other comprehensive income		2.60	0.79
IX	Total comprehensive income for the year (VII + VIII)		501.09	786.59
	Earnings per equity share (Face value of Rs. 10/-)			
	a) Basic (in Rs.)	27	1.62	2.56
	b) Diluted (In Rs.)	27	1.62	2.56
	The accompanying notes are an integral part of these financial statements			
	In terms of our report attached			
	For M S K A & Associates Chartered Accountants Firm Registration No.:105047W		For and on behalf of the Board of Directors	
	T.V.Ganesh Partner Membership No. 203370 Place: Chennai		S. Ramachandran Managing Director DIN: 03535894 Place: Dindigul	Michael Peter Wallwork Director DIN: 07291292 Place: United Kingdom
			T. Vinoth Kumar Company Secretary FCS No.F10471 Place: Dindigul	V A David General Manager - Finance & Account Place : Dindigul
	Date: 26 September 2024		Date: 26 September 2024	

Renold Chain India Private Limited
Cash Flow Statement for the year ended 31 March 2024
All amounts are in Rs. Lakhs unless otherwise stated

Sl. No.	Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Profit for the year	498.49	785.80
	Adjustment for :		
	Income tax expense	197.58	412.93
	Depreciation and amortization expenses	259.54	316.84
	Property , Plant and Equipment written off	0.00	12.54
	Gain on disposal of property, plant and equipment	(7.17)	(0.52)
	Unrealised (gains) / losses on foreign currency transactions	(4.64)	(3.32)
	Provision for doubtful trade receivables	5.39	88.90
	Provisions no longer required written back	(46.72)	(22.34)
	Provision for Warranty	92.81	-
	Diminution in value of investments	-	14.42
	Finance costs	-	3.62
	Interest income	(49.40)	(15.58)
	Operating profit before working capital changes	945.88	1,593.29
	Adjustments for (increase) / decrease in:		
	Trade receivables	257.42	60.77
	Inventories	(455.94)	231.32
	Other financial assets	4.78	9.44
	Other assets	(113.13)	39.07
	Adjustments for increase / (decrease) in:		
	Trade payables	585.99	(185.41)
	Other financial liabilities	(120.48)	(1.71)
	Other current liabilities	8.99	17.61
	Short-term provisions	(0.75)	(0.37)
	Cash generated from operations	1,112.76	1,764.01
	Direct taxes (paid)	(221.03)	(362.67)
	NET CASH GENERATED FROM OPERATING ACTIVITIES	891.73	1,401.34
B.	CASH FLOW FROM INVESTING ACTIVITIES :		
	Payments for property, plant and equipment (including Capital Advances)	(955.90)	(532.04)
	Proceeds from disposal of property, plant and equipment	18.91	1.83
	Interest received	49.40	15.58
	Redemption of Fixed Deposits	1.50	9.09
	NET CASH USED IN INVESTING ACTIVITIES	(886.09)	(505.54)
C.	CASH FLOW FROM FINANCING ACTIVITIES :		
	NET CASH FLOWS FROM / (USED IN) FINANCING ACTIVITIES	-	-
	NET CASH GENERATED DURING THE YEAR (A+B+C)	5.64	895.80
	Opening Balance of Cash and Cash Equivalents	1,580.47	684.67
	Closing Balance of Cash and Cash Equivalents (Refer Note 9)	1,586.11	1,580.47

In terms of our report attached.
For M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W

T.V.Ganesh
Partner
Membership No. 203370
Place: Chennai

Date: 26 September 2024

For and on behalf of the Board of Directors

S. Ramachandran
Managing Director
DIN: 03535894
Place: Dindigul

T. Vinoth Kumar
Company Secretary
FCS No.F10471
Place: Dindigul

Date: 26 September 2024

Michael Peter Wallwork
Director
DIN: 07291292
Place: United Kingdom

V A David
General Manager - Finance & Accounts
Place : Dindigul

Renold Chain India Private Limited
Statement of Changes in Equity for the year ended 31 March 2024
All amounts are in Rs. Lakhs unless otherwise stated

A. Equity Share Capital

Particulars	Amount
Balance as at 31 March 2022	3,075.00
Changes in Equity Share capital during the year	-
Balance as at 31 March 2023	3,075.00
Changes in Equity Share capital during the year	-
Balance as at 31 March 2024	3,075.00

B. Other Equity

Particulars	Reserves and Surplus	Other Comprehensive Income	Capital Redemption reserve	Total
	Surplus in Statement of Profit and Loss	Remeasurement of Defined Benefit Liabilities		
Balance as at 31 March 2022	1,159.92	-	1,025.00	2,184.92
Profit for the year	785.80	-	-	785.80
Remeasurement of gain / (loss) on defined benefit obligation	-	0.79	-	0.79
Reclassification (Refer Note below)	0.79	(0.79)	-	-
Balance as at 31 March 2023	1,946.51	-	1,025.00	2,971.51
Profit for the year	498.49	-	-	498.49
Remeasurement of gain / (loss) on defined benefit obligation	-	2.60	-	2.60
Reclassification (Refer Note below)	2.60	(2.60)	-	-
Balance as at 31 March 2024	2,447.60	-	1,025.00	3,472.60

Note: In accordance with Notification G.S.R 404(E), dated April 6, 2016, remeasurement 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 M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W

For and on behalf of the Board of Directors

T. V. Ganesh
Partner
Membership No. 203370

S. Ramachandran
Managing Director
DIN: 03535894
Place: Dindigul

Michael Peter Wallwork
Director
DIN: 07291292
Place: United Kingdom

T. Vinoth Kumar
Company Secretary
FCS No.F10471
Place: Dindigul

V A David
General Manager - Finance & Accounts
Place : Dindigul

Place: Chennai
Date: 26 September 2024

Date: 26 September 2024

Notes to the financial statements for the year ended 31 March 2024

Note No.

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 MATERIAL 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.

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.

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.

2.5 Revenue recognition:

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. The Company is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

2.6 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.

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(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.

2.7 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 and regions in which the Company operates. 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.

2.8 Employee benefits

2.8.1 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.

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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.

2.8.2 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.

2.9 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.

(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.

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.

2.10 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. 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.

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.

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 are not depreciated.

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 less than or equal to the following

- | | | |
|------|--------------------------|------------------|
| 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 |

2.11 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:

Computer Software – 5 years

- (iv) Intangible assets under development are classified and disclosed separately. The costs of the intangible asset is capitalized once the development is completed. Costs associated with maintaining software are recognised as an expense as incurred. Development Cost that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets where the criteria for recognition are met. Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

2.12 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.

2.13 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.

2.14 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.

2.15 Financial assets:**2.15.1 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.

2.15.2 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.

2.15.3 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.

2.15.4 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.

2.15.5 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 lifetime 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,

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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.

2.15.6 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.

2.15.7 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

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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.

2.16 Financial liabilities and equity instruments:

2.16.1 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.

2.16.2 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.

2.16.3 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

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.

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2.17 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.

2.18 Rounding off amounts

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

2.19 Amendments to Ind AS effective from April 01 ,2024:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Notes to the financial statements for the year ended 31 March 2024

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

3 Property, plant and equipment and Capital Work-in-Progress

Particulars	As at 31 March 2024	As at 31 March 2023
Land	178.70	180.61
Buildings	686.42	493.92
Plant and Machinery	1,115.22	911.54
Electrical Installations	80.76	88.38
Computers	94.32	25.38
Office Equipment	102.97	26.26
Furniture and Fixtures	9.78	12.27
Vehicles	28.95	34.81
	2,297.12	1,773.17

Cost (Deemed Cost)	Land	Buildings	Plant and Machinery	Electrical Installations	Computers	Office Equipments	Furniture and Fixtures	Vehicles	Total
Balance at 1 April 2022	180.61	461.69	1,817.31	148.83	132.63	46.52	20.75	79.55	2,887.89
Additions	-	103.84	184.44	4.86	3.37	-	-	2.08	298.59
Disposals	-	-	(3.57)	-	-	-	-	-	(3.57)
Balance at 31 March 2023	180.61	565.53	1,998.18	153.69	136.00	46.52	20.75	81.63	3,182.91
Additions	-	211.27	394.81	6.95	78.15	87.51	2.95	-	781.64
Disposals	(1.91)	-	(312.17)	-	-	-	-	-	(314.08)
Balance at 31 March 2024	178.70	776.80	2,080.82	160.64	214.15	134.03	23.70	81.63	3,650.46

Accumulated depreciation and impairment	Land	Buildings	Plant and Machinery	Electrical installations	Computers	Office Equipments	Furniture and fixtures	Vehicles	Total
Balance at 1 April 2022	-	59.39	819.05	50.56	104.90	18.96	7.00	36.88	1,096.74
Additions	-	12.22	269.84	14.75	5.72	1.30	1.47	9.94	315.24
Eliminated on disposals of assets	-	-	(2.25)	-	-	-	-	-	(2.25)
Balance at 31 March 2023	-	71.61	1,086.64	65.31	110.62	20.26	8.47	46.82	1,409.73
Additions	-	18.77	181.31	14.57	9.21	10.80	5.44	5.86	245.96
Eliminated on disposals of assets	-	-	(302.35)	-	-	-	-	-	(302.35)
Balance at 31 March 2024	-	90.38	965.60	79.88	119.83	31.06	13.91	52.68	1,353.34
Carrying amount at 31 March 2024	178.70	686.42	1,115.22	80.76	94.32	102.97	9.78	28.95	2,297.12
Carrying amount at 31 March 2023	180.61	493.92	911.54	88.38	25.38	26.26	12.27	34.81	1,773.17

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)**

Capital work in progress movement	Amount
Balance at 31 March 2022	284.70
Additions during the year	409.59
Capitalized during the year	(239.41)
Balance at 31 March 2023	454.88
Additions during the year	65.17
Capitalized during the year	(428.97)
Balance at 31 March 2024	91.08

Note:

(i) The title deeds of all immovable properties (except where the Company has taken a property on lease and the lease agreements are in favour of the lessor) are held in the name of the Company.

(ii) The ageing of capital work in progress is as under:

Due to the completion of the migration project , the intangible assets under development as at 31 March 2023	Amount in capital work in progress for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	65.17	25.91	-	-	91.08
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	377.65	38.04	-	39.18	454.88
Projects temporarily suspended	-	-	-	-	-

(iii) The capital-work-in progress whose completion is overdue or has exceeded its cost compared to its original plan are as follows:

31-Mar-24	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
CWIP					
Projects in Progress					
Completion Overdue	-	-	-	-	-
Exceeded its cost compared to its original plan	-	-	-	-	-
Projects Suspended					
Completion Overdue	-	-	-	-	-
Exceeded its cost compared to its original plan	-	-	-	-	-
31-Mar-23					
CWIP					
Projects in Progress					
Completion Overdue	39.18	-	-	-	39.18
Exceeded its cost compared to its original plan	-	-	-	-	-
Projects Suspended					
Completion Overdue	-	-	-	-	-
Exceeded its cost compared to its original plan	-	-	-	-	-

(iv) The Company does not hold any benami property. No proceedings have been initiated or are pending against the Company under the Benami Transactions (Prohibitions) Act 1988 and rules made thereunder as of the date of approval of these financial statements.

4 Intangible assets

Carrying amounts	As at	
	31 March 2024	31 March 2023
Computer Software	998.55	10.56
Total	998.55	10.56

Cost or deemed cost	Computer Software	Total
Balance at 31 March 2022	8.39	8.39
Additions	9.84	9.84
Disposals	-	-
Balance at 31 March 2023	18.23	18.23
Additions	1,001.57	1,001.57
Disposals	-	-
Balance at 31 March 2024	1,019.80	1,019.80

Accumulated depreciation and impairment	Computer Software	Total
Balance at 31 March 2022	6.07	6.07
Amortization expense	1.60	1.60
Balance at 31 March 2023	7.67	7.67
Amortization expense	13.58	13.58
Balance at 31 March 2024	21.25	21.25

Carrying amount	Computer Software	Total
Balance at 31 March 2023	10.56	10.56
Balance at 31 March 2024	998.55	998.55

4(a) Intangible Assets Under Development

Capital work in progress movement	Amount
Balance at 31 March 2022	531.82
Additions during the year	60.76
Capitalized during the year	-
Balance at 31 March 2023	592.58
Additions during the year	408.99
Capitalized during the year	(1,001.57)
Balance at 31 March 2024	0.00

The ageing of intangible assets under development is as under:

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024					
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2023					
Projects in progress	60.76	-	-	531.82	592.58
Projects temporarily suspended	-	-	-	-	-

(iii) The intangible assets under development whose completion is overdue or has exceeded its cost compared to its original plan are as follows

31-Mar-24	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Intangible assets under development					
Projects in Progress	-	-	-	-	-
Completion Overdue	-	-	-	-	-
Exceeded its cost compared to its original plan	-	-	-	-	-
Projects Suspended	-	-	-	-	-
Completion Overdue	-	-	-	-	-
Exceeded its cost compared to its original plan	-	-	-	-	-
31-Mar-23					
Intangible assets under development					
Projects in Progress	-	-	-	-	-
Completion Overdue	531.82	-	-	-	531.82
Exceeded its cost compared to its original plan	-	-	-	-	-
Projects Suspended	-	-	-	-	-
Completion Overdue	-	-	-	-	-
Exceeded its cost compared to its original plan	-	-	-	-	-

Note:

With effect from 01 February 2024, the Company had migrated to a new ERP System M3 for accounting and financial reporting purposes from its earlier reporting application i.e. SAP. Due to the completion of the migration project, the intangible assets under development as at 31 March 2023 have been capitalised during the year.

RENOLD

Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Non-current Investments

Particulars	As at	
	31 March 2024	31 March 2023
Non-Current		
Unquoted investment in equity shares:		
Investments at fair value through profit or loss	14.42	14.42
Less: Aggregate amount of provision for impairment in the value of investments		
28,800 (31 March 2023 : 28,800) Equity shares of Average Price Rs. 50.05 each fully paid in Clean Wind Power (Pratapgarh) Private Limited - Note 1	(14.42)	(14.42)
Total	-	-
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	-	-

Note 1

The net worth of Clean Wind Power (Pratapgarh) Private Limited has completely eroded due to continuous accumulated losses resulting in share price becoming negative. The Company has obtained a valuation report from the investee Company based on which the investment in the Company has been impaired.

5 Other financial assets

Particulars	As at	
	31 March 2024	31 March 2023
Unsecured and considered good unless otherwise stated		
At amortised cost		
Non-current:		
Security deposits	69.18	71.07
Total	69.18	71.07
Current:		
Export incentive receivable	3.44	6.33
Total	3.44	6.33

6 Other assets

Particulars	As at	
	31 March 2024	31 March 2023
Unsecured and considered good unless otherwise stated		
Non-current:		
Capital advances	103.97	0.90
Prepaid Expenses	1.68	2.99
Balances with government authorities	37.45	37.45
Total	143.10	41.34
Current:		
Prepaid expenses	34.97	39.67
Advance to Suppliers and Others	16.11	18.63
Balances with government authorities	119.97	-
Loans and advances to employees	1.87	0.18
Total	172.92	58.48

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****7 Inventories (Lower of Cost and Net Realisable Value)**

Particulars	As at	
	31 March 2024	31 March 2023
Raw materials	895.88	866.89
Work-in-progress	196.54	433.75
Finished goods (Refer Note No. 7.1 below)	1,513.92	849.76
Total	2,606.34	2,150.40

7.1 Goods in transit included in Finished Goods amounts to Rs. 90.24 Lakhs (31 March 2023: Rs. 78.15 Lakhs)

Particulars	2023-24	2022-23
The cost of inventories recognised as an expenses during the year	4,492.67	5,184.23
The cost of inventories recognised as an expense, includes write down of inventory to net realisable value, amounting to	317.24	206.95
The mode of valuation of inventories has been stated in Note 2.12		

8 Trade receivables

Particulars	As at	
	31 March 2024	31 March 2023
(a) Receivables - Considered good*	1,014.98	1,273.14
(b) Receivables - Credit Impaired	56.00	113.06
	1,070.98	1,386.20
Less: Expected Credit Loss	(56.00)	(113.06)
Total	1,014.98	1,273.14

*Refer Note 33a for Receivables from Related Parties - Rs 128.65 Lakhs (Rs.103.00 Lakhs)

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****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

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

(a) Expected credit loss allowance:

Particulars	As at	
	31 March 2024	31 March 2023
Balance at the beginning of the year	113.06	72.49
Add : Provision created on account of expected credit losses	5.39	40.57
Less : Reversal , if any	62.37	0.00
Movement in Expected credit loss allowance on trade receivables	(57.06)	40.57
Balance at the end of the year	56.00	113.06

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****8 Trade receivables**

Trade receivables ageing schedule		Outstanding for following periods from due date of payment					
Particulars	Not Due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables							
- considered good	826.12	159.90	14.20	6.42	8.34	-	1,014.98
- credit impaired	-	56.00	-	-	-	-	56.00
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-
Less: Expected Credit Loss	-	(56.00)	-	-	-	-	(56.00)
Total	826.12	159.90	14.20	6.42	8.34	-	1,014.98

Trade receivables ageing schedule		Outstanding for following periods from due date of payment					
Particulars	Not Due	Less than 6 months	6 months -1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed Trade receivables							
- considered good	776.26	496.29	0.59	-	-	-	1,273.14
- significant increase in credit risk	-	0.88	23.37	45.80	7.61	35.40	113.06
Disputed Trade Receivables							
- considered good	-	-	-	-	-	-	-
- significant increase in credit risk	-	-	-	-	-	-	-
Less: Expected Credit Loss	-	(0.88)	(23.37)	(45.80)	(7.61)	(35.40)	(113.06)
Total	776.26	495.41	0.59	-	-	-	1,273.14

15 Trade Payables

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	-	163.52	-	-	-	163.52
(ii) Others	355.39	928.06	676.90	-	-	-	1,960.35
(iii) Disputed dues - MSME	-	-	-	-	-	-	0.00
(iv) Disputed dues - Others	-	-	-	-	-	-	0.00
Total	355.39	928.06	840.42	0.00	0.00	0.00	2,123.87

Particulars	Outstanding for following periods from due date of payment						
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
(i) MSME	-	52.85	-	-	-	-	52.85
(ii) Others	262.43	751.82	373.80	67.71	0.36	17.10	1,473.22
(iii) Disputed dues - MSME	-	-	-	-	0.25	-	0.25
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	262.43	804.67	373.80	67.71	0.61	17.10	1,526.32

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, 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 2024	31 March 2023
Balance with Banks:		
- In current accounts	880.05	1,580.47
Fixed Deposits with original maturity of less than 3 months	706.06	0.00
Total	1,586.11	1,580.47

Bank balances other than above

Particulars	As at	
	31 March 2024	31 March 2023
Balance with Banks:		
- Fixed deposits	-	1.50
Total	-	1.50

Fixed deposits have an original maturity period of less than 12 months. Fixed deposits are made towards bank guarantees.

10 Income Tax Asset/Liabilities (Net)

Particulars	As at	
	31 March 2024	31 March 2023
Income Tax Assets		
Non Current		
Advance tax and taxes deducted at source	603.02	0.00
Less: Income tax payable	(512.59)	0.00
Tax payable (net)	90.43	0.00
Income Tax Liabilities		
Income tax payable	0.00	(379.48)
Less: Advance tax and taxes deducted at source	0.00	341.84
Tax payable (net)	0.00	(37.64)

11 Deferred Tax Liability (Net)

Particulars	As at	
	31 March 2024	31 March 2023
The following is the analysis of the net deferred tax asset / (liability) position as presented in the financial statements		
Deferred Tax Assets	63.75	55.31
Deferred Tax Liabilities	(175.38)	(105.79)
Deferred Tax Liabilities (Net)	(111.63)	(50.48)

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****12 Movement in deferred tax balances**

Particulars of Assets / (Liabilities)	For the year 2023-24			
	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(105.79)	(69.59)	-	(175.38)
Provision for employee benefits	26.86	(9.53)	(0.87)	16.45
Provision for doubtful trade receivables	28.45	(14.33)	-	14.12
Other disallowances	0.00	33.18	-	33.18
Total	(50.48)	(60.28)	(0.87)	(111.63)

Particulars of Assets / (Liabilities)	For the year 2022-23			
	Opening balance	Recognised in profit or loss	Recognised in Other Comprehensive Income	Closing Balance
Property, Plant and Equipment	(56.43)	(49.36)	-	(105.79)
Provision for employee benefits (including bonus)	8.63	18.23	-	26.86
Provision for doubtful trade receivables and advances	18.25	10.20	-	28.45
Other disallowances	7.00	(7.00)	-	-
Total	(22.55)	(27.93)	0.00	(50.48)

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Notes to the financial statements for the year ended 31 March 2024 (All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

13 Equity Share Capital

Particulars	As at	
	31 March 2024	31 March 2023
Authorized Share capital : 4,10,00,000 (As at 31 March 2023: 4,10,00,000) fully paid equity shares of Rs.10 each	4,100.00	4,100.00
Issued and subscribed capital comprises : 3,07,50,000 (As at 31 March 2023: 3,07,50,000) fully paid equity shares of Rs.10 each	3,075.00	3,075.00
Total	3,075.00	3,075.00

13.1 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.

13.2 Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	Number of shares	Amount
Balance as at 31 March 2023	30,750,000	3,075.00
Movement		
Balance as at 31 March 2024	30,750,000	3,075.00

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

13.3 Details of shares held by Holding and Ultimate Holding Company

Particulars	As at	As at
	31 March 2024	31 March 2023
	Amount	Amount
Renold International Holding Limited, UK, The holding Company 30,749,997 (31st March 2022: 30,749,997) equity shares of Rs.10 each fully paid.	3,075.00	3,075.00
Renold, PLC, UK, The ultimate holding Company 3 (31st March 2022: 3) equity shares of Rs.10 each fully paid.	0.00	0.00

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

Name of the shareholder	As at			
	31 March 2024		31 March 2023	
	Number of shares	% of holding	Number of shares	% of holding
Fully paid equity shares				
Renold International Holding Limited	30,749,997	100%	30,749,997	100%

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.

13.5 Shares held by promoters at the end of the year

Shares held by promoters at the end of the year			% of Change during the year
Promoter Name	No. of Shares	% of total shares	
Renold International Holding Limited, UK	30,749,997	100%	-
Renold PLC, UK	3	0	-
TOTAL	30,750,000	100%	-

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)**

14 Other Equity		As at	
Particulars	31 March 2024	31 March 2023	
Reserves and surplus			
Capital Redemption Reserve	1,025.00	1,025.00	
Surplus in statement of profit and loss account	2,447.60	1,946.51	
	3,472.60	2,971.51	
14.1 Surplus in Statement of Profit and Loss			
Particulars	Retained Earnings	Remeasurement of Defined Benefit Liabilities	
Balance as at 31 March 2022	1,159.92	-	
Add: Profit for the year	785.80	-	
Add/(Less): Other Comprehensive Income for the year, net of income tax	-	0.79	
Add/(Less) : Reclassification from Other comprehensive income (Refer Note below)	0.79	(0.79)	
Balance as at 31 March 2023	1,946.51	-	
Add: Profit for the year	498.49	-	
Add/(Less): Other Comprehensive Income for the year, net of income tax	-	2.60	
Add/(Less) : Reclassification from Other comprehensive income (Refer Note below)	2.60	(2.60)	
Balance as at 31 March 2024	2,447.60	-	
Note: In accordance with Notification G.S.R 404(E) , dated April 6, 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.			
14.2 Capital Redemption Reserve			
Particulars	Amount		
Balance as at 31 March 2023	1,025.00		
Balance as at 31 March 2024	1,025.00		
15 Trade Payables			
Particulars	As at		
	31 March 2024	31 March 2023	
Trade Payables:			
(i) Dues to Micro and Small Enterprises (Refer Note 30)	164.31	52.85	
(ii) Dues to creditors other than Micro and Small Enterprises	1,954.35	1,473.47	
Total	2,118.66	1,526.32	
a Trade payables are non-interest bearing and are normally settled as per due dates generally ranging from 30 to 60 days.			
Dues to Related Parties are disclosed in Note 33a.			
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.			

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Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

16 Other financial liabilities

Particulars	As at	
	31 March 2024	31 March 2023
Current		
Security Deposit from dealers	1.99	101.04
Interest Liability on Dealers Deposit	0.00	21.43
Payable on purchase of Property, plant & equipment	37.58	63.58
Total	39.57	186.05

17 Provisions

Particulars	As at	
	31 March 2024	31 March 2023
Towards employee benefits		
Compensated absences	2.40	3.15
Others		
Provision for warranty (Refer Note below)	97.43	4.62
Total	99.83	7.77

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 2024	31 March 2023
Balance as at beginning of the year	4.62	26.96
Additions during the year	108.81	-
Amounts reversed during the year	(16.00)	(22.34)
Balance as at end of the year	97.43	4.62

18 Other Current liabilities

Particulars	As at	
	31 March 2024	31 March 2023
Statutory remittances	26.56	76.24
Advance received from customers	133.53	54.68
Gratuity payable (Refer Note 31)	4.58	28.23
Total	164.67	159.15

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****19 Revenue from operations**

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
A. Sale of Products (Refer Note 19.1 below)	10,093.67	11,356.40
Less: Sales Incentives	(742.04)	(543.98)
	9,351.63	10,812.42
B. Other operating revenues		
Scrap sales	509.89	663.79
Export Benefits	47.39	31.84
Reimbursement of freight charges	-	5.72
	557.28	701.35
Total	9,908.91	11,513.77

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 2024	31 March 2023
Revenue by Geography		
India	7,461.92	8,457.39
Outside India	2,631.75	2,899.01
Total - Sale of Products	10,093.67	11,356.40
Revenue by offerings		
Manufactured goods		
Industrial Chains & Sprockets	10,093.67	11,356.40
Total - Sale of Products	10,093.67	11,356.40
Timing of recognition		
Goods transferred at a point in time	10,093.67	11,356.40
Total - Sale of Products	10,093.67	11,356.40

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 Receivables 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.

Refer Note 8 and Note 18 for Contract Assets (Trade Receivables) and Contract Liabilities

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 2024	31 March 2023
a) Interest income earned on financial assets measured at Amortised Cost		
Bank deposits	49.40	15.58
b) Other non-operating income		
Gain on foreign currency transactions / translations	-	17.65
Provision no longer required written back	46.72	22.34
Profit on sale of Property, Plant and Equipment	7.17	0.52
Total (a+b)	103.29	56.09

*Represents true - up invoices raised on account of transfer pricing

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****21 Cost of Raw materials consumed**

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
(a) Raw materials consumed		
Inventory at the beginning of the year (Refer Note 7)	866.89	988.85
Add: Purchases	5,170.90	5,354.86
Less : Inventory at the end of the year (Refer Note 7)	(895.88)	(866.89)
Cost of Raw materials consumed	5,141.91	5,476.82
(b) Changes in inventories of finished goods , work-in-progress and stock in trade		
<u>Inventories at the end of the year</u>		
Finished Goods	1,513.92	849.76
Work-in-progress	196.54	433.75
	1,710.46	1,283.51
<u>Inventories at the beginning of the year</u>		
Finished Goods	849.76	629.76
Work-in-progress	433.75	763.11
	1,283.51	1,392.87
Net (Increase)/Decrease in Inventories	(426.95)	109.36

22 Employee benefit expenses

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
Salaries and Wages	1,167.38	1,213.39
Contribution to provident and other funds (Refer Note 31)	60.09	58.38
Gratuity expense (Refer Note 31)	13.93	13.80
Staff welfare expenses	132.62	115.36
Total	1,374.02	1,400.93

23 Finance costs

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
Interest costs :		
Interest on Dealer Deposits	-	3.62
Total	-	3.62

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****24 Depreciation and amortization expense**

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
Depreciation of property, plant and equipment (Refer Note 3)	245.96	315.24
Amortization of intangible assets (Refer Note 4)	13.58	1.60
Total	259.54	316.84

25 Other Expenses

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
Processing charges	265.26	356.32
Power and Fuel	336.21	394.54
Consumption of Stores and Spares	338.62	350.82
Consumption of Packing Material	182.34	222.92
Management and Service Fees (Refer Note 33a)	159.91	137.65
Freight and forwarding charges	270.39	389.20
Discount allowed	112.37	128.68
Commission	38.91	-
Rental Expenses	11.67	-
Rates and taxes	53.37	56.55
Travelling and conveyance	74.64	57.64
Bank Charges	10.85	0.00
Legal and professional charges (Refer Note 25.1 below)	215.38	136.45
Repairs and Maintenance		
- Buildings	21.23	5.34
- Machinery	258.17	221.75
- Others	333.58	307.59
Insurance	62.16	57.59
Security Charges	38.24	34.48
Provision for Warranty	92.81	0.00
Communication expenses	13.03	12.97
Net loss on foreign currency transactions and translation	1.50	0.00
Provision for doubtful receivables (net of reversal)	5.39	88.90
Assets Condemned and written off	0.00	12.54
Corporate Social Responsibility (CSR) expenses (Refer Note 25.2 below)	22.87	21.68
Diminution in value of investment	0.00	14.42
Miscellaneous expenses	48.71	55.53
Total	2,967.61	3,063.56

25.1 Legal and professional charges includes the following:

Payments to auditors	For the Year Ended	
	31 March 2024	31 March 2023
Statutory audit fees	15.55	14.55
Tax audit	3.45	3.45
Total	19.00	18.00

25.2 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.

Particulars	March 31, 2024	March 31, 2023
Average Profit before tax as per Section 135 of the Act	1,120.19	1,078.76
a. Amount required to be spent during the year	22.40	21.58
b. CSR Expenditure incurred	22.87	21.68
c. Shortfall at the end of the year	NA	NA
d. Total of previous years shortfall	NA	NA
e. Reason for shortfall	NA	NA
f. Nature of CSR Activities	i. Promoting healthcare and sanitation in Government school	

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Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

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

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
Current tax		
In respect of current year	152.39	385.00
In respect of prior years	(6.38)	-
	146.01	385.00
Deferred tax		
In respect of current year	51.57	27.93
Total income tax expense recognized in the current year	197.58	412.93

26 Income Tax recognised in Other Comprehensive Income

Particulars	For the Year Ended	
	31 March 2024	31 March 2023
Deferred tax:		
Remeasurement of defined benefit obligation	(0.87)	-
Total income tax recognised in other comprehensive income	(0.87)	-

Bifurcation of the income tax recognised in other comprehensive income into:-
Items that will not be reclassified to profit or loss

(0.87) -

26 Income tax reconciliation

A reconciliation of income tax expense applicable to accounting profit 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 2024	31 March 2023
Profit before tax	696.07	1,198.73
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax expense	175.00	302.00
Amounts disallowed in the computation of total income	(5.76)	36.10
Deferred Tax Adjustment	51.57	27.93
Others	(23.23)	46.90
Total income tax expense recognised in the statement of profit and loss	197.58	412.93

RENOLD**Notes to the financial statements for the year ended 31 March 2024
(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)****27 Earnings per share**

Particulars	For the year ended	
	31 March 2024	31 March 2023
Basic earnings per share	1.62	2.56
Diluted earnings per share	1.62	2.56
The calculation of the basic and diluted Earnings per share is based on the following data:		
Profits for the year after tax	498.49	785.80
Weighted average number of equity shares outstanding during the year (In Nos)		
Basic	30,750,000	30,750,000
Diluted	30,750,000	30,750,000

28 Segment information

The Company's Chief Operating Decision maker (CODM) reviews business operations as a single segment i.e. manufacture and sale of industrial chains and sprockets, accordingly there are no other reportable business segments in accordance with the Ind AS 108, "Operating segments"

Geographical Information

Particulars	Revenue for the year ended		Carrying amount of Non-Current Assets as at	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
India	7,461.92	8,457.39	3,689.46	2,943.60
Europe	343.45	732.80	-	-
United States of America	1,484.91	1,301.24	-	-
Rest of the world	803.39	864.97	-	-
Total	10,093.67	11,356.40	3,689.46	2,943.60

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

RENOLD**Notes to the financial statements for the year ended 31 March 2024****(All amounts are in Rs. Lakh unless otherwise stated)****29 Contingent liabilities and commitments**

Particulars	As at	
	31 March 2024	31 March 2023
A.Contingent Liabilities		
Income Tax Demand*	190.10	190.10

Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Unpaid (Rs. Lakhs)
Income Tax Act, 1961	Income -Tax	Assistant Commissioner of Income Tax, Chennai (Assessing Officer)	Financial Year 2012-13	2.08
Income Tax Act, 1961	Income -Tax	Assistant Commissioner of Income Tax, Chennai (Assessing Officer)	Financial Year 2017-18	0.76
Income Tax Act, 1961	Income -Tax	Deputy Commissioner of International Taxation , Coimbatore	Financial year 2013-14 to 2016-17	187.26

* 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 amount includes Rs 37.45 lakhs paid under protest as appeal deposit.

The Company has filed appeals on 29 April 2021 challenging the above demands. The Management is of the opinion that the above demands are not sustainable.

B.Commitments

Particulars	As at	
	31 March 2024	31 March 2023
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	205.97	403.24

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

Particulars	As at	
	31 March 2024	31 March 2023
(i) Principal amount remained unpaid to any supplier as at the accounting year	164.31	52.85
(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.

31 Employee benefit plans**a) Defined contribution plans**

The Company makes Provident fund and Employees State Insurance 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 ended	
	Sunday, March 31, 2024	Friday, March 31, 2023
Contribution to Provident Fund recognized in statement of profit and loss	57.09	54.65
Contribution to Employee State Insurance recognized in the statement of profit	3.00	3.73

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. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk : The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Longevity Risk: The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

ASSUMPTIONS

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

Particulars	As at	
	31 March 2024	31 March 2023
Expected Return on Plan Asset	7.20%	6.96%
Discount rate	7.20%	7.46%
Rate of salary increase	6.50%	6.50%
Average Age	58	58
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 (2012-14) Urban	Indian assured lives mortality (2012-14) Urban
Mortality Rate After Employment	NA	

RENOLD**Notes to the financial statements for the year ended 31 March 2024****(All amounts are in Rs. Lakh unless otherwise stated)**

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

Particulars	Gratuity As at	
	31 March 2024	31 March 2023
Present Value of Obligations as at the beginning of the year	202.29	188.35
Current Service cost	11.82	11.66
Interest cost	15.09	13.11
Actuarial losses / (gains)		
Due to change in financial assumptions	2.66	(5.32)
Due to experience adjustments	(7.15)	3.22
Benefits paid	(8.23)	(8.73)
Present Value of Obligations as at the end of the year	216.48	202.29
Fair value of plan assets as at the beginning of the year	174.06	157.57
Interest Income	12.98	10.97
Contributions from the employer	34.10	15.55
Benefits paid	(8.23)	(8.73)
Expected Return on plan assets	(1.01)	(1.30)
Fair value of plan assets at the end of the year	211.90	174.06
Amount recognized in the Balance Sheet		
Present Value of Obligations as at the end of the year	(216.48)	(202.29)
Fair value of the plan assets as at the end of the year	211.90	174.06
Liability recognized in the Balance Sheet	(4.58)	(28.23)
Interest Cost	15.09	13.11
(Interest income)	(12.98)	(10.97)
Net interest cost for the current period	2.11	2.14
Expenses recognized in statement of profit or loss		
Current service cost	11.82	11.66
Net interest cost for the current period	2.11	2.14
Net Expense recognized in profit or loss	13.93	13.80
Expenses recognized in other comprehensive income		
Actuarial losses / (gains) on obligation for the period	(4.48)	(2.09)
Return on plan asset excluding interest income	1.01	1.30
Net (income)/Expense recognized in OCI	(3.47)	(0.79)
Sensitivity analysis:		
Particulars	31 March 2024	31 March 2023
Project benefit obligations on current assumptions	216.48	202.29
Delta effect of + 1% change in rate of discounting	(9.88)	(9.87)
Delta effect of - 1% change in rate of discounting	10.95	10.92
Delta effect of + 1% change in rate of salary increase	10.62	10.54
Delta effect of -1% change in rate of salary increase	(9.73)	(9.68)
Delta effect of + 1% change in rate of employee turnover	0.23	0.38
Delta effect of -1% change in rate of employee turnover	(0.27)	(0.44)
Expected Benefit Payments (mid-year cash flows):		
Particulars	31 March 2024	31 March 2023
Year 1	26.07	18.01
Year 2	18.43	20.03
Year 3	33.92	19.88
Year 4	32.33	31.81
Year 5	26.68	30.39
Next 5 Years	102.37	112.18

The Company's best estimate of the contribution expected to be paid to the plan during the next year is Rs.17.05 Lakhs (31 March 2023 : Rs 29.90 Lakhs).

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 ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximise shareholder value.

The Company's objective when managing capital is 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 average cost of capital.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents. The gearing ratio of the Company is nil as they do not have any outstanding

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023

(ii) Categories of Financial instruments

Particulars	As at	
	31 March 2024	31 March 2023
A. Financial Assets		
Measured at amortized cost		
(a) Cash and Bank balances	1,586.11	1,581.97
(b) Other Financial assets Measured at amortised cost	1,087.60	1,350.54
	2,673.71	2,932.51
B. Financial liabilities		
Measured at amortized cost	2,158.23	1,712.37

(iii) Financial risk management objectives

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Risk	Exposure arising from	Measurement	Management
a. Credit risk	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. Market risk			
i. Market risk - Foreign Exchange Risks	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Monitoring of exchange rates and scheduling transactions accordingly
c. Liquidity risk	Other liabilities	Rolling cash flow forecasts	Monitoring of cash flow and adequate cash flow support from Group Companies

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 as disclosed. 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.

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.

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 2024 and there are no outstanding contracts as at 31 March 2024.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under:

Particulars	Currency	As at 31 March 2024		As at 31 March 2023	
		Amount in Foreign Currency	Amount	Amount in Foreign Currency	Amount
Trade Payables	USD	0.00	0.00	0.00	0.00
Trade Payables	EUR	0.10	8.70	0.13	11.21
Trade Payables	GBP	5.90	621.60	4.44	452.27
Trade Payables	CNY	0.00	0.00	0.03	0.37
Trade Receivables	USD	1.28	106.63	0.90	74.38
Trade Receivables	CNY	0.09	1.07	0.00	0.00
Trade Receivables	EUR	0.23	20.95	0.10	8.59
Trade Receivables	GBP	0.00	0.00	0.01	0.68

(-) 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 2024	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2023
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	5.33	(5.33)	3.72	(3.72)
EURO	0.61	(0.61)	(0.13)	0.13
GBP	(31.08)	31.08	(22.58)	22.58

Impact on total equity as at end of the reporting period

Particulars	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022	As at 31 March 2022
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	3.99	(3.99)	2.78	(2.78)
EURO	0.46	(0.46)	(0.10)	0.10
GBP	(23.26)	23.26	(16.90)	16.90

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.

c) Liquidity Risks

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

The table below provides the details regarding the expected recovery of significant financial assets as follows:

Particulars	Less than 3 months	3 to 12 months	More than 1 year	Total
31 March 2024				
Trade Receivables	1,014.98	0.00	0.00	1,014.98
Cash and Cash equivalents	1,586.11	0.00	0.00	1,586.11
Other Bank balances	0.00	0.00	0.00	0.00
Other financial assets	3.44	0.00	69.18	72.62
	2,604.53	0.00	69.18	2,673.71
31 March 2023				
Trade Receivables	1,273.14	0.00	0.00	1,273.14
Cash and Cash Equivalents	1,580.47	0.00	0.00	1,580.47
Other Bank balances	1.50	0.00	0.00	1.50
Other Financial Assets	6.33	0.00	71.07	77.40
	2,861.44	0.00	71.07	2,932.51

The table below provides the details regarding the contractual maturities of significant financial liabilities as follows;

Particulars	Less than 3 months	3 to 12 months	More than 1 Year	Total
31 March 2024				
Trade Payables	350.21	1,768.45	0.00	2,118.66
Other Financial Liabilities	0.00	39.57	0.00	39.57
Total	350.21	1,808.02	0.00	2,158.23
31 March 2023				
Trade Payables	262.43	1,263.89	0.00	1,526.32
Other Financial Liabilities	0.00	186.05	0.00	186.05
Total	262.43	1,449.94	0.00	1,712.37

3.2a Fair Value Hierarchy**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

The Company has not offset Financial Assets and Liabilities as at 31 March 2024 and March 31, 2023.

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Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rs. Lakh 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 Power Transmission Limited , UK (Formerly known as Renold Chain, UK)

Renold Jeffrey, USA

Renold France SAS

Renold Gmbh, Uslar

Renold Gmbh, Einbeck

Renold Gmbh, Gronau

Renold (Malaysia) Sdn.Bhd, Malaysia

Renold Gears, Milnrow

Renold Inc , Westfield

Renold Canada Limited, Canada

Renold (China) Transmission Products

Key Managerial personnel

S.Ramachandran, Managing Director

Rakesh Kailash Sharma , Chief Financial Officer (till 10 December 2022)

T.Vinoth Kumar, Company Secretary

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Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rs. Lakh unless otherwise stated)

33A Related party transactions :

Particulars	Ultimate Holding Company		Fellow Subsidiaries		Key Management Personnel	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Revenue from Operations						
Renold Power Transmission Limited, UK	-	-	28.54	34.07	-	-
Renold Jeffrey, USA	-	-	1,511.97	1,127.84	-	-
Renold GmbH, Einbeck	-	-	17.20	6.32	-	-
Renold GmbH, Uslar	-	-	289.02	415.61	-	-
Renold (Malaysia) Sdn.Bhd , Malaysia	-	-	88.82	9.79	-	-
Renold (China) Transmission Products	-	-	124.92	33.60	-	-
Renold Canada Limited	-	-	1.84	-	-	-
Reimbursement of Expenses						
Renold Inc , Westfield	-	-	20.24	17.48	-	-
Renold Power Transmission Limited, UK	-	-	26.35	24.24	-	-
Debit Notes						
Renold Jeffrey, USA	-	-	63.19	-	-	-
Renold (China) Transmission Products	-	-	38.25	-	-	-
Renold France SAS	-	-	11.54	-	-	-
Credit Notes						
Renold GmbH, Uslar	-	-	-	-	-	-
Renold Plc, UK	59.72	-	-	-	-	-
Renold Jeffrey, USA	-	-	-	0.58	-	-
Renold France SAS	-	-	-	10.48	-	-

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Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rs. Lakh unless otherwise stated)

33A	Related party transactions : (contd)						
	Particulars	Ultimate Holding Company		Fellow Subsidiaries		Key Management Personnel	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	Purchase of finished goods and components						
	Renold (China) Transmission Products	-	-	0.08	3.03	-	-
	Renold GmbH, Gronau	-	-	-	1.71	-	-
	Renold GmbH, Einbeck	-	-	9.13	6.88	-	-
	Renold Jeffrey, USA	-	-	-	44.90	-	-
	Renold Gears, Milnrow	-	-	166.26	219.02	-	-
	Renold Chain, Bredbury	-	-	0.03	0.28	-	-
	Management Service Charges						
	Renold Plc, UK	159.90	137.46	-	-	-	-
	Recharge of Expenses						
	Renold Plc, UK	614.80	229.47	-	-	-	-
	Purchase of PPE						
	Renold Plc, UK	39.39	55.62	-	-	-	-
	Managerial Remuneration						
	S.Ramachandran, Managing Director						
	Short term Employee Benefits	-	-	-	-	148.95	75.44
	Rakesh Sharma Kailash, Chief Financial Officer						
	Short term Employee Benefits	-	-	-	-	-	25.34
	T.Vinoth Kumar, Company Secretary						
	Short term Employee Benefits	-	-	-	-	20.70	16.43
	Balances outstanding at the year end						
	Payables:						
	Renold Plc, UK	503.67	393.13	-	-	-	-
	Renold GmbH, Einbeck	-	-	8.70	-	-	-
	Renold France SAS	-	-	-	11.21	-	-
	Renold Gears, Milrow	-	-	117.93	59.14	-	-
	Renold (China) Transmission Products	-	-	-	0.37	-	-
	Receivables:						
	Renold GmbH, Einbeck	-	-	1.17	-	-	-
	Renold GmbH, Uslar	-	-	19.78	8.59	-	-
	Renold Jeffrey, USA	-	-	104.98	74.38	-	-
	Renold (China) Transmission Products	-	-	1.07	19.34	-	-
	Renold Canada Limited	-	-	1.66	-	-	-
	Renold Inc, Westfield	-	-	-	0.68	-	-

* The amount is below the rounding off norms adopted by the Company.

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Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rs. Lakh unless otherwise stated)

34 Additional Regulatory Information:

- a. The Company has no borrowings from banks or financial institutions on the basis of security of current assets. Hence, the Company is not required to furnish quarterly returns or statements of current assets to banks or financial institutions.
- b. The Company is not declared as a wilful defaulter by any bank or financial institution.
- c. The Company has no relationship with struck-off companies under Section 248 of the Companies Act, 2013 nor under the Companies Act, 1956.
- d. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on Number of Layers) Rules, 2017.
- e. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f. The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- g. The Company has no unaccounted transactions which have been surrendered or disclosed as income during the year in any of the tax assessments under the Income Tax Act 1961.
- h. The Company has not traded/invested in crypto currency/ virtual currency during the financial year.
- i. There are no loans and advances granted to Promoters, KMP and related parties as at March 31, 2024 and March 31, 2023.
- j. The Company has not issued any securities for a specific purpose.
- k. There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- l. There is no scheme of compromise or arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- m. The Company has no borrowings from banks and financial institution for specific purposes as at the balance sheet date.
In the opinion of the Board, all assets other than Property, Plant and Equipment and Intangible assets are expected to be realised atleast at the value stated in the balance sheet in the ordinary course of business.

35 Ratios:

Particulars	Numerator	Denominator	31-03-24	31-03-23	Variance	Reasons for variance in excess of 25%
Current Ratio	Current Assets	Current Liabilities	2.22	2.65	-15.99%	
Return on equity ratio	Net Income	Average Shareholders Equity	7.92%	13.90%	-5.98%	
Inventory turnover ratio	Net Sales	Average Inventory	1.89	2.47	-23.37%	
Trade Receivables turnover ratio	Net Sales	Average Trade Receivables	8.17	8.02	1.86%	
Trade Payables turnover ratio	Net Purchases	Average Trade Payables	2.59	3.46	-25.12%	Due to an increase in trade payables as compared to previous year
Net capital turnover ratio	Net Sales	Average Working Capital	3.16	3.43	-7.89%	
Net profit ratio	Profit after Tax	Net Sales	0.05	0.07	-26.65%	Due to a decline in net profit as compared to previous year
Return on Capital employed	Earnings Before Interest and Taxes	Capital Employed	7.61%	13.06%	-41.69%	Due to a decline in net profit as compared to previous year

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Notes to the financial statements for the year ended 31 March 2024

(All amounts are in Rs. Lakh unless otherwise stated)

36 New Wage Code

The Code on Social Security 2020 has been notified in the Official Gazette on 29th September 2020. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be framed. The impact of the changes, if any, will be assessed and accounted in the period in which the said Code becomes effective and the rules framed thereunder are published.

37 Approval of Financial statements

The Financial statements were reviewed and approved by the Board of Directors in their meeting held on September 26 , 2024

For M S K A & Associates

Chartered Accountants
Firm Registration No.:105047W

T.V.Ganesh

Partner
Membership No. 203370
Place: Chennai

Date: 26 September 2024

For and on behalf of the Board of Directors

S. Ramachandran

Managing Director
DIN: 03535894
Place: Dindigul

T. Vinoth Kumar

Company Secretary
FCS No.F10471
Place : Dindigul

Date: 26 September 2024

Michael Peter Wallwork

Director
DIN: 07291292
Place: United Kingdom

V A David

General Manager - Finance & Accounts
Place : Dindigul

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, Tamilnadu – 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 Monday, September 30, 2024, at 10.00A.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. Ratification of remuneration of the Cost Auditor

Signed this..... day of..... 2024.

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 Monday, September 30, 2024, at 10.00A.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)

THE COMPANIES ACT, 2013
Consent by Shareholder for shorter notice
[Pursuant to section 101]

To
The Board of Directors
Renold Chain India Private Limited
568/1A, 569/ 1 & 2 D. Gudalur (P.O),
Guziliamparai (T.K) Dindigul,
Tamil Nadu – 624620, India

I/We, _____, resident of/ having office at _____, holding _____ equity shares of Rs.10 each, in Renold Chain India Private Limited, hereby give consent, pursuant to section 101 of the Companies Act, 2013, to hold the Annual General Meeting of the Company on Monday, September 30, 2024, at 10.00 A.m at 568/1A, 569/ 1 & 2, D.Gudalur (P.O.), Guziliamparai (T.K.) Dindigul, Tamil Nadu – 624620, India at a shorter notice.

[Name]

Dated: _____