

Rane Brake Lining Limited



RBL/SE/ 22/2019-20

June 26, 2019

BSE Limited Listing Centre Scrip Code: 532987	National Stock Exchange of India Ltd. NEAPS Symbol: RBL
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Dear Sir / Madam,

Sub: 14th Annual Report – 2018-19

Ref: Letter No. RBL/SE/20/2019-20 dated June 24, 2019

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), we enclose herewith the copy of 14th Annual Report 2018 -19 along with Notice of Annual General Meeting of the Company.

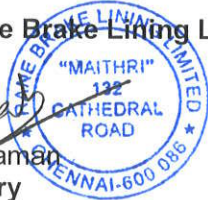
We request you to take the above on record as compliance under relevant regulations of SEBI LODR and disseminate the same to the stakeholders.

Thanking you.

Yours faithfully,

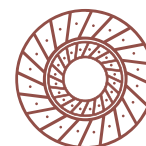
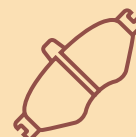
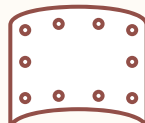
For **Rane Brake Lining Limited**


Venkatraman
Secretary



Encl: a/a

Driven by determination. Progressing with optimism.



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Forward-looking statements

In this annual report, we have disclosed some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should know or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Follow us and join the conversation



www.ranegroup.com



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Numbers in 2018-19

₹ **521.0**
Crores

↑ 7%

Total Income

₹ **36.5**
Crores

↑ 2.2%

PAT



5.3%

R&D Expenses
(% of Sales)

Our products portfolio

Brake
Linings

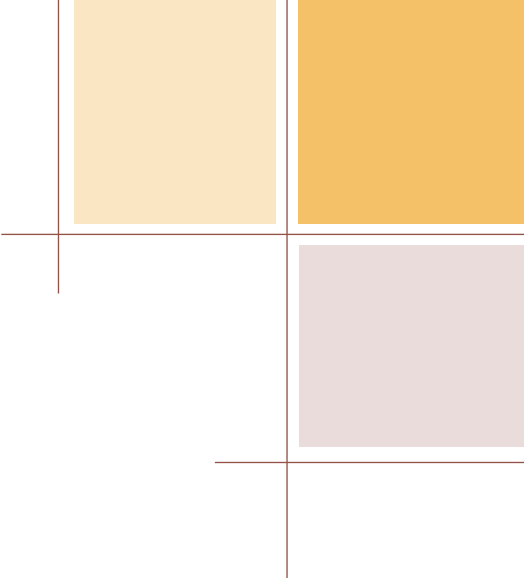
Disc Pads

Clutch
Facings

Clutch
Buttons

Brake
Shoes

Brake
Blocks



Our five-decade long journey has been about embracing the opportunities and enduring the challenges of changing times.

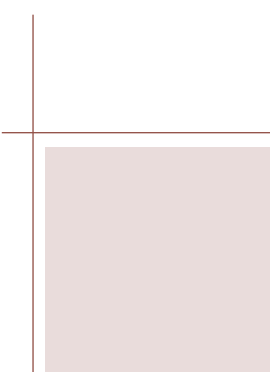
The year 2018-19 was no different. After a period of buoyancy, demand suddenly turned sluggish in the latter half and we witnessed inflationary pressure on material cost.

The challenging environment, however, strengthened our resolve of getting our plans back on track and renewed our focus on robust execution. We continued to win customer accolades, remained their partner of choice, aggressively pursued new businesses, expanded capacity and capabilities.

We remain optimistic about the opportunities in the auto components industry and structural trends remain positive in the long-term.

We are working closely with customers to develop innovative solutions and embrace the technological changes in the industry. We are determined to grow and enhance value for our stakeholders, supported by our business excellence programme, dynamic team and disciplined financial architecture.

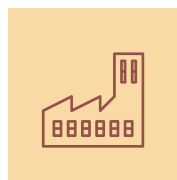
We are driven by determination and progressing with optimism.



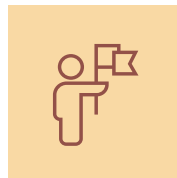
Rane Brake Lining at a glance

Rane Brake Lining Limited was founded in 1964. Rane Brake Lining manufactures safety critical friction material products such as Brake Linings, Disc Pads, Clutch Facings, Clutch Buttons, Brake Shoes and Brake Blocks. The Company is a market leader in India and global player in friction material. It has application in every segment of transportation industry such as passenger vehicle, commercial vehicle, two/three-wheeler and railways. The Company has technical collaboration with Nisshinbo Brake Inc., Japan for know-how in Brake Linings, Disc Pads and Clutch Facings.

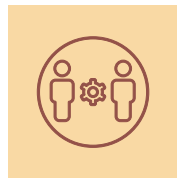
Company snapshot



Established
in 1964



Market
leader in India



Technical collaboration
with Nisshinbo
Brake Inc., Japan for
know-how in asbestos
free brake linings, disc
pads and clutch facings



Application in
every segment of
automobile industry



Modern
testing facilities



Exporter of
friction products

Our vision

To establish global presence and enhance domestic leadership by providing eco-friendly friction solutions.

Manufacturing locations

Location	Products	Segments
 Chennai	Brake linings, Disc pads, Clutch facings, Brake shoes and Composite brake blocks	Passenger vehicles, Commercial vehicles, Two-wheelers, Tractors and Railways
 Hyderabad	Disc pads and Brake linings buttons, Composite brake blocks	Commercial vehicles, Passenger vehicles and Railways
 Puducherry	Disc pads and Composite brake blocks	Two-wheelers, Passenger vehicles, Commercial vehicles and Railways
 Trichy	Disc pads and Brake linings	Passenger vehicles and Commercial vehicles

Key customers

OEM



Tier 1



Others



Technology Capabilities

Research and development is prime thrust area for the Company. We have more than 400 formulations in the library of widely tested & approved formulations to suit diverse market / customer requirements. In addition, the Company enhances the formulation library through the technical collaborators – NISB-TMD. The Company has developed NAO and Low Steel products to meet futuristic vehicle requirements. Our green material policy continuously evolves to meet stringent environmental norms.

Our state-of-the-art R&D centre is approved by the Department of Science & Technology, Government of India, where we conduct comprehensive laboratory testing to validate performance characteristics and interpret the results to benchmark them vis-à-vis international standards. We stimulate field conditions on dynamometer for product development. The sophisticated test equipments include full scale inertia dynamometers attached with environment chamber, static Mu measurement and noise study rig.

Quality standards

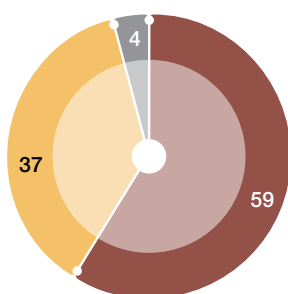
All our manufactured products are routed through stringent quality norms to match customer expectations. We have a three-pronged approach on quality focus through complete employee involvement, Poke Yoke implementation and statistical process control practices. We have received several recognitions and awards from OE customers and our operations are accredited and certified for quality, occupational health and safety management systems.

Quality accreditations

- **IATF16949:2016**
Quality Management
- **ISO 9001:2015**
Quality Management
- **ISO 14001:2015**
Environmental Management
- **ISO 45001:2018**
Occupational Health and Safety Management
- **Deming Prize**
Deming Prize Total Quality Management (TQM)
- **Deming Grand Prize**
Deming Grand Prize Excellence in TQM

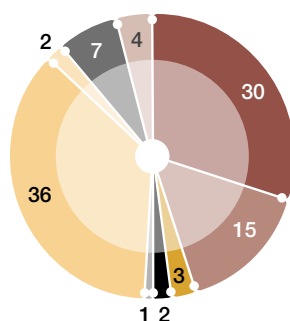
Revenue split (Total ₹ 521.0 Crores)

By market (%)



■ India OEM & OES
■ India Aftermarket
■ International

By vehicle segment (%)



■ Passenger car
■ MUV & MPV
■ MPV
■ Light Commercial
■ Vehicles
■ 2-Wheeler
■ Railways

Our report card

(₹ in Crores)

OPERATIONAL PERFORMANCE

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
Total income*	520.97	487.21	470.58	451.64	418.49	386.51	379.68	363.52	308.32	237.68
EBITDA	73.95	78.76	62.98	57.65	47.56	42.61	36.08	43.76	36.49	30.20
Profit Before Tax (PBT)	49.31	54.89	42.70	35.48	20.60	16.73	10.92	21.90	19.67	14.93
Profit After Tax (PAT)	36.53	35.75	34.93	25.76	16.11	17.21	9.10	16.19	15.29	10.09

KEY PERFORMANCE HIGHLIGHTS

FINANCIAL YEAR	FY19	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10
RoCE (%)	24.96	30.29	25.11	21.90	13.82	12.10	9.31	16.41	16.72	14.49
RoNW (%)	18.36	20.14	22.94	19.84	13.77	16.07	9.16	17.65	18.76	14.12
Earnings Per Share (₹)	46.15	45.16	44.13	32.54	20.36	21.76	11.50	20.45	19.31	12.78
Dividend (%) @	155	155	150	100	70	75	40	70	50	45
Dividend payout ratio@	40	41	41	37	41	40	40	40	30	41
Book Value per Share (₹)	265.03	237.80	210.72	174.27	153.77	141.84	128.88	122.03	109.72	96.50

BALANCE SHEET HIGHLIGHTS**

(₹ in Crores)

FINANCIAL YEAR	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11
Equity Share Capital	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' funds	201.86	180.30	166.78	137.93	121.71	112.27	102.01	96.59	86.84
Non-current Liabilities	2.89	3.07	6.09	14.34	23.83	39.16	56.63	59.55	46.79
Current Liabilities	143.13	119.61	104.87	103.61	109.55	116.51	102.87	95.60	73.22
Non current assets	138.12	131.59	136.30	118.36	129.50	143.14	148.44	132.28	115.14
Current assets	217.67	179.30	141.44	137.52	129.60	124.81	113.07	119.46	91.71

(*) Total Income are net of excise duty.

** Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only corresponding figures reported for the previous years.

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

Note : 1. Figures for FY19, FY18 and FY17 are as per Indian Accounting Standards (Ind AS) prescribed under the Companies Act, 2013. Hence these figures are not comparable with the corresponding figures reported for the previous years.

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



Awards and accolades

Customer Award



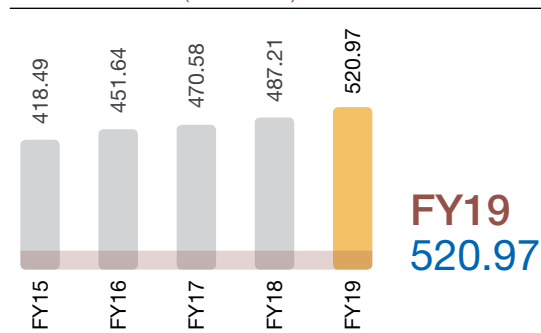
**Best Supplier 2019 –
Friction from Brakes
India Private Limited**

Other Awards

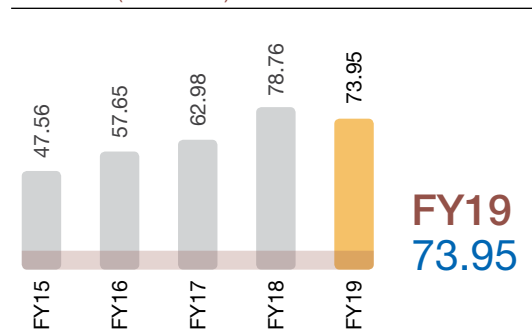
- Certified 'Great Place To Work' (GPTW) for a consecutive 3rd year
- HR Excellence award from ACMA
- Various Outstanding / Platinum / Gold awards for plants for participation in specific events conducted by QCFI, ABK-AOTS etc.

KEY PERFORMANCE HIGHLIGHTS

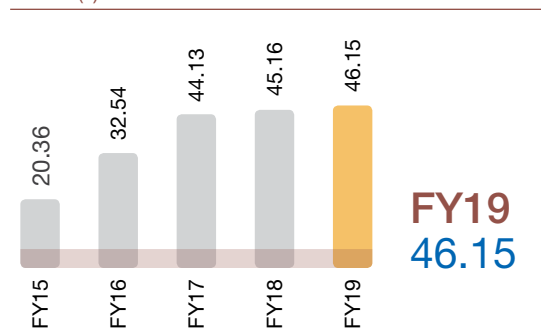
Total Income (₹ in Crores)



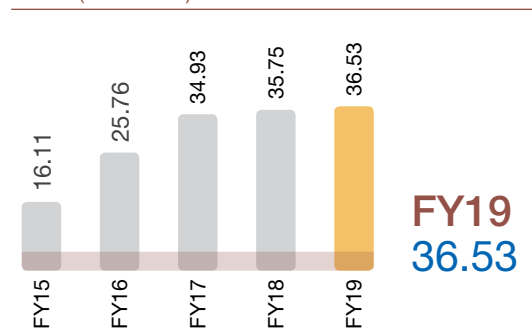
EBITDA (₹ in Crores)



EPS (₹)



PAT (₹ in Crores)



Business highlights, FY 2018-19

1

Supply of new products to key customers and added new customers in two-wheeler segment

2

Enhanced Aftermarket dealer network and introduced various new products in Aftermarket

3

Created capacity for Two-wheeler segment at Puducherry plant with focus on quality enhancement and automation

4

Upgraded dynamometers and enhanced validation capabilities

5

Continued focus on Green initiatives – 2 MW solar power was added to cater the requirements of plants in Tamil Nadu

From the Chairman's desk



**We registered
7% growth in
net sales with
moderate demand
from Indian OE
customers.**

Dear Shareholders,

The global automotive industry landscape continues to transform, and along with it the auto components industry. With India already cementing its place as a global component sourcing hub, we are well positioned to navigate through the emerging challenges and capitalise on the upcoming opportunities. Our tradition of pursuing excellence and keeping 'customer at the core' remained intact this year as well, backed by determination, prudent foresight and strong business fundamentals.

Economy overview

The synchronised upswing in the global economy that began around mid-2016 suddenly changed course in the second half of 2018 as the continued momentum in manufacturing and trade dissipated. Sentiments were further dampened by the hardening of US interest rates, volatile crude prices, along with uncertainty over Brexit and heightened rhetoric around protectionism.

The Indian GDP growth dipped below 7% for full-year 2018-19, after growing at 7.5% in the first half, due to weak industrial output, and overall subdued demand. However, with the election overhang now behind us, the economy

should grow at over 7% going forward, driven by the government's resolve towards achieving fiscal consolidation and continued push for structural reforms.

The Indian automobile industry too had started FY 2018-19 on a positive note, supported by normal monsoon, rising rural demand, the government's infrastructure push and rise in industrial activity. However, most vehicle segments witnessed a considerable slowdown in the second half due to higher fuel prices, lower financing availability, steep price increase on account of insurance regulation changes in September 2018.

Driven by determination

We registered 7% growth in net sales with moderate demand from Indian OE customers. In Indian Aftermarket, we expanded reach and introduced new products. Despite increasing competitive intensity, our customer-centric approach and superior formulation library helped us to maintain market leadership position.

We continued to invest in validation and testing capabilities and energy conservation initiatives. We continued to place significant emphasis on people development and employee engagement initiatives, which has resulted in getting certified as a Great Place to Work for the third time in a row.

We are driven by determination to maintain the steady growth momentum focussing on under penetrated segments and strengthening our aftermarket business.

The Company expanded reach and introduced new products. Despite increasing competitive intensity, our customer-centric approach and superior formulation library helped us to maintain market leadership position.

Progressing with optimism

The first half of FY 20 appears challenging with slowing demand in most of the vehicle segments.

The anticipated pre-buy on account of transition to BS VI, normal monsoon, the government's continued reforms and infrastructure push are likely to propel growth. We remain optimistic about the evolving opportunities in the auto component industry and the structural trends remain positive in the long term.

We will continue to invest in R&D and drive innovations to build value-add products. We will leverage on the expertise of our technical collaborator to introduce new products in India and tap into opportunities to supply in export markets.

Considering the potential demand for the Two-wheeler segment, our Company has been proactively creating capacities with special focus on quality enhancement through latest technologies at its Puducherry Plant.

We are progressing with optimism on long term market opportunities and are determined to drive efficiencies to create value for all our stakeholders.

On behalf of the Board of Rane Brake Lining Limited, I would like to thank all our stakeholders – Customers, Employees, Partners, Vendors, Bankers, Government, Communities and most importantly you – our shareholders, who have been part of this exciting journey.

Yours sincerely,
L Ganesh
Chairman

Corporate information

Board of Directors

Mr. L Ganesh, Chairman
Mr. Vinay Lakshman, Managing Director
Mr. Anil Kumar V Epur
Mr. Harish Lakshman
Mr. Krishna Kumar Seshadri
Mr. L Lakshman
Ms. Ranjana Kumar
Mr. Suresh Chandra Gupta
Mr. S Sandilya
Mr. Yasuji Ishii
(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

Mr. S Sandilya, Chairman
Mr. Anil Kumar V Epur
Mr. L Ganesh
Mr. Suresh Chandra Gupta

Stakeholders'

Relationship Committee

Mr. Harish Lakshman, Chairman
Mr. Anil Kumar V Epur
Mr. L Ganesh

Nomination and

Remuneration Committee

Mr. S Sandilya, Chairman
Mr. L Ganesh
Mr. Suresh Chandra Gupta

Corporate Social

Responsibility Committee

Mr. L Lakshman, Chairman
Mr. L Ganesh
Mr. Suresh Chandra Gupta

Senior Vice President -

Finance & Chief Financial Officer

Mr. M A P Sridhar Kumar

Company Secretary

Mr. Venkatraman

Listing of Shares on

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

Statutory Auditors

M/s. Varma & Varma,
Chartered Accountants,
'Sreela Terrace', Level 4, Unit - D,
105, Gandhi Nagar 1st Main Road,
Adyar, Chennai - 600 020

Secretarial Auditors

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

Bankers

HDFC Bank Limited
Standard Chartered Bank
State Bank of India
YES Bank Limited

Registered Office

Rane Brake Lining Limited

CIN: L63011TN2004PLC054948
"Maithri", 132, Cathedral Road,
Chennai - 600 086
Phone: +91 44 28112472
Fax: +91 44 28112449
Email: investorservices@ranegroup.com
Website: www.ranegroup.com

Plants

1. Plot No. 30, Industrial Estate, Ambattur, Chennai - 600 058, Tamil Nadu
2. Pregnapur Village, Gajwel Mandal, Rajiv Gandhi Highway, Siddipet District - 502 311, Telangana
3. RS No. 48, 49 & 50, Sanyasikuppam Village, Mannadipet Commune, Thirubhuvanai Post, Puducherry - 605 107
4. Sethurapatti Village, Fathima Nagar Post, Srirangam Taluk, Trichy - 620 012, Tamil Nadu

Solar Plant

Muthuramalingapuram Village, Aruppukottai Taluk, Virudhunagar District, Tamil Nadu

Registrar and Transfer Agent

Integrated Registry Management Services Private Limited
"Kences Towers", 2nd Floor,
No. 1, Ramakrishna Street,
North Usman Road,
T Nagar, Chennai - 600 017
Phone: +91-44-28140801-03
Fax: +91-44-28142479
Email: corpserve@integratedindia.in
Website: www.integratedindia.in

Report of the Board of Directors

Your Directors have pleasure in presenting the Fourteenth Annual Report together with the accounts for the year ended March 31, 2019 and other prescribed particulars:

1. State of Company's affairs

1.1. Financial Performance

The financial highlights for the year under review are as follows: (₹ in Crores)

Particulars	2018-19	2017-18
Sales and Operating Revenues *	513.89	482.28
Other Income	7.08	4.92
Profit Before Tax (PBT)	49.31	54.89
Provision for tax	12.78	19.14
Profit After Tax (PAT)	36.53	35.75
Total Comprehensive Income	36.34	36.21
Surplus brought forward	44.14	38.37
Amount available for appropriation	80.48	74.58

* Net of Excise Duty - FY 2017-18

The Key performance indicators, operational performance and balance sheet highlights are furnished in page nos. 6 & 7 of this annual report.

The Sales and other Operating Revenues grew by 6.55%. The Profit Before Tax decreased by 10.17% over the previous year. Earnings per share for the year 2018-19 was ₹46.15 as against ₹45.17 in the previous year.

There was no material changes and commitments, affecting the financial position of the Company between the end of the financial year of the Company and the date of the report other than those disclosed in the financial statements. There was no change in nature of business during the year. The Company is a subsidiary Company of Rane Holdings Limited (RHL / holding company). The Company does not have any subsidiary, associate or joint venture.

1.2. Appropriation

The Board of Directors declared and paid an interim dividend of 65% (i.e., ₹6.50/- per share of ₹10/- each, fully paid-up) on February 15, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 07, 2019, being the Record Date fixed for this purpose.

Further, the Board has recommended a final dividend of 90% (i.e., ₹9/- per share of ₹10/- each, fully paid-up) for approval of shareholders at the ensuing fourteenth

Annual General Meeting scheduled to be held on July 25, 2019. With that the total dividend paid / payable for FY 2018-19 including the distribution tax and surcharge thereon would be ₹14.79 Crores. On declaration of final dividend by the shareholders, it will be paid on July 30, 2019 to all the eligible shareholders whose name appears in the register of members of the Company as on July 18, 2019, being the Record Date fixed for this purpose.

The Board has retained ₹23.38 Crores as surplus in the Profit and loss account after transferring ₹22.00 Crores to the general reserves.

1.3. Management Discussion & Analysis

The business of your Company is manufacturing and marketing of auto components for transportation industry viz., friction material (Disc Pads, Brake Shoes, Clutch Facings, Clutch Buttons, Brake Linings and Brake Blocks). The analysis on the performance of the industry, the Company, internal control systems, risk management are presented in the Management Discussion and Analysis report forming part of this report and is provided in 'Annexure A'.

2. Board of Directors

2.1. Composition

The Corporate Governance Report given in 'Annexure E' contains the composition of the Board of Directors of the Company.

There is no change in the composition of Board of Directors with reference to the previous year.

The terms and conditions for appointment of Independent Directors have been disclosed on the website of the Company and available at http://ranegroup.com/rbl_investors/terms-conditions-appointment-id/.

Mr. Parvataneni Santosh Kumar (DIN:00267280) Independent Director, retired as per the retirement policy of the Company, with effect from conclusion of the Board meeting held on May 22, 2019. Consequently, his membership in the Audit Committee and Nomination and Remuneration Committee also ceases with effect from the said date. The Board places on record its appreciation for the services rendered by Mr. Parvataneni Santosh Kumar during his association with the Company as an Independent Director.

The Nomination and Remuneration Committee of the Board, at its meeting held on March 18, 2019, had recommended the appointment of Mr. Krishna Kumar Seshadri (DIN: 00062582) as an Independent

Director. The Board of Directors have co-opted Mr. Krishna Kumar Seshadri as an Additional Director in the category of Non-Executive and Independent Director with effect from May 22, 2019. The appointment as an Independent Directors is subject to the approval at the ensuing AGM. The notice convening the 14th AGM seeks necessary approval of the members for his appointment as an Independent Director to hold office for a term upto conclusion of 16th AGM (2021).

The Corporate Governance report annexed to this report contains necessary disclosures regarding the above Director proposed for appointment at the ensuing 14th AGM of the Company.

All the Directors have affirmed compliance with the Code of Conduct of the Company. The Independent Directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act 2013 (Act) and Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR), as amended from time to time. The Board of Directors at its first meeting of the FY 2018-19 has taken on record the declarations and confirmations submitted by the Independent Directors.

During the year, the Board had not appointed any person as an Alternate Director for an Independent Director on the Board.

The Company has obtained a certificate from a company secretary in practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

2.2. Retirement by rotation

Mr. Harish Lakshman (DIN: 00012602) is retiring by rotation at the ensuing 14th AGM. Being eligible, he offers himself for re-appointment. The proposal for re-appointment of Mr. Harish Lakshman as a Director is included in the notice convening the 14th AGM.

2.3. Board Meetings

The schedule of meetings of the Board of Directors and Committees of the Board is circulated to the Directors in advance. During the year, five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The gap between two consecutive meetings of the Board of Directors was less than 120 days.

2.4. Meeting of Independent Directors

A meeting of Independent Directors was held to assess the quality, quantity and timeliness of flow of information between the management and the Board. The Independent Directors expressed that the current flow of information and contents were good to effectively perform their duties. They also reviewed the performance of the Non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company taking into account the views of other Non-Executive Directors.

3. Board and Management

3.1. Board Evaluation

During the year, the Board carried out an annual evaluation of its performance as well as of the working of its Committees and individual Directors, including Chairman and Managing Director of the Board. This exercise was carried out through a structured questionnaire prepared separately for the Board, Committees, Chairman, Managing Director and individual Directors, as per the criteria laid down by Nomination and Remuneration Committee. The Chairman's performance evaluation was also reviewed by Independent Directors at a separate meeting during the year.

The evaluation methodology, questionnaire and process were judiciously formulated taking into consideration following parameters of the Board's functioning

- a) Board Structure and Processes: Composition, appointment process, diversity, approach towards risk assessment, monitoring mechanism for any related party transactions, ethical standards and fairness in decision makings
- b) Meetings and Discussions: Adequacy, relevance of information, follow up actions, discussions and debate especially on critical and dissenting views, if any.
- c) Board Information and Functioning: Adequacy of time for strategic discussions, integrity of accounting and financial reporting systems and feedback of Independent Directors.
- d) Board Committee Effectiveness: Clarity of charter laid down, effectiveness of reports of the Committees, its mandates and working procedures, its transparency and independence and contributions towards recommendations made to the Board.

The individual Directors' evaluation were carried out with an unbiased approach through peer evaluation focussing on following areas:

- a) Group dynamics i.e., exhibiting positive behaviours, framing of constructive contents and staying engaged while expressing honest opinions.
- b) Competency attributes like having sufficient understanding and knowledge of the Company and operating sector and fulfilling functions assigned to them by the Board and governing laws ; and
- c) Commitment in terms of exercising own judgement, voicing independent opinions and responsibility towards the Company and its success.

The outcome of the evaluation is also considered by the Nomination and Remuneration Committee while considering re-appointments of Directors on the Board and appointment in various Committees.

The Board acknowledged the key areas of improvement emerging through this exercise and the Chairman discussed with the other Board members during the meetings, the action plans including the need for revisiting the Board meeting schedule to allow sufficient time for discussions on matters of strategic importance and scheduling Directors' visits to the manufacturing facilities and facilitating interaction with the business and functional heads.

Certain strategic discussions at the Board and Committee meetings brought to the fore were around long-term strategy in terms of industry trends, technology developments, measures to enhance productivity, innovation and competitiveness and sustainable business models.

Discussions on initiatives taken across the Rane group on areas like Human Resource development especially in the context of talent acquisition & management, succession planning, employee engagement, leadership development at senior management level and Information and Technology challenges, were given extensive time and focus by the Board.

3.2. Familiarisation program for Independent Directors

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

3.3. Key Managerial Personnel

Mr. Vinay Lakshman, Managing Director (MD), Mr. M A P Sridhar Kumar, Senior Vice President – Finance & Chief Financial Officer (CFO) and Mr. Venkatraman, Company Secretary hold the office of Key Managerial Personnel (KMP) within the meaning of Section 2(51) of the Companies Act, 2013. During the year there was no change in the Key Managerial Personnel (KMP).

3.4. Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) laid down by the Nomination and Remuneration Committee (NRC) of the Board is available on the website of the Company www.ranegroup.com

In accordance with the said policy, approval obtained from the shareholders at the 13th AGM held on July 24, 2018, Mr. L Ganesh, Chairman will be paid a commission of ₹1.00 Crore as recommended by NRC and approved by the Board. This commission amount does not exceed 2% of the net profits of the Company for FY 2018-19.

In addition to the approval already obtained from shareholders by way of a special resolution under Section 197 of the Companies Act, 2013 and the Rules made thereunder, specific approval of shareholders is sought again, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), for payment of commission to Mr L Ganesh for FY 2018-19.

The details of remuneration paid / payable to the Directors during the financial year 2018-19, is furnished in the Corporate Governance report annexed to this report of the Board.

4. Audit

4.1. Audit Committee

The terms of reference and meetings of the Audit Committee are disclosed in the Corporate Governance Report section of the Annual Report. The Audit Committee of the Board acts in accordance with the above terms of reference, which is in compliance with the provisions of Section 177 of the Companies Act, 2013 (Act) and Regulation 18 of SEBI LODR and other applicable provision of SEBI LODR, as amended from time to time.

4.2. Statutory Auditors

M/s. Varma & Varma, Chartered Accountants (Varma & Varma) were re-appointed by the shareholders at the 12th AGM held on August 23, 2017 for a second term of five consecutive years commencing from the conclusion of 12th AGM (2017) till 17th AGM (2022).

Varma & Varma has confirmed that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. Varma & Varma has also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India.

During the year under review, Varma & Varma has not reported any matter under Section 143(12) of the Companies Act, 2013 requiring disclosure under Section 134(3)(ca) of the Companies Act, 2013.

The statutory auditors report to the members for the year ended March 31, 2019 does not contain any qualification, reservation, adverse remark or disclaimer.

4.3. Cost Audit & Maintenance of Cost Records

Appointment of Cost auditor is not applicable to the Company under Companies (Cost Records and Audit) Rules, 2014. Further, the maintenance of cost records as prescribed under provisions of Sec 148(1) of the Companies Act 2013 are not applicable for the business activities carried out by the Company.

4.4. Secretarial Auditors

M/s. S Krishnamurthy & Co., a firm of Company Secretaries in practice, are the Secretarial Auditors of the Company. The Secretarial Audit report given in 'Annexure B' was taken on record by the Board of Directors at its meeting held on May 22, 2019. The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

The Annual Secretarial Compliance report, (hereinafter referred to as 'compliance report'), for FY 2018-19 issued by M/s. S Krishnamurthy & Co., the secretarial auditors of the Company, have confirmed compliance with securities law applicable to the Company and the same has been taken on record by the Board of Directors at their meeting held on May 22, 2019. The compliance report does not contain any qualification, reservation, adverse remark or disclaimer and the Board has approved filing of the same with the stock exchanges.

4.5. Internal Auditors

M/s. Capri Assurance and Advisory Services, a firm of independent assurance service professionals, continues to be the Internal Auditors of the Company.

Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations. The internal auditors report directly to the Audit Committee and the Audit Committee while reviewing their performance scope, functioning, periodicity and methodology for conducting the internal audit, has taken into consideration their confirmation to the effect that their infrastructure viz internal audit structure, staffing and seniority of the officials proposed to be deployed etc. which are adequate and commensurate to the scope, functioning, periodicity and methodology for conducting the internal audit.

For FY 2018-19, the Audit Committee has taken on record their certification to the effect that:

- i. They have evaluated the internal control systems and risk management systems and reviewed the risk management systems and management's process of identification and mitigation of risks and controls;
- ii. There were no significant findings requiring follow-up thereon and there were no matters of suspected fraud or irregularity or a failure of internal control systems of material nature requiring investigation or reporting to the Audit Committee/ Board;
- iii. Internal control systems of the Company for financial reporting are adequate and are operating effectively throughout the year;
- iv. There were no deficiencies in the design or operation of internal controls;
- v. There were no significant changes in the internal control over financial reporting during the year under review;
- vi. There were no instances of fraud or involvement therein of management or an employee having a significant role in the entity's internal control system over financial reporting and
- vii. The Company has a proper system for ensuring compliance with all applicable laws and the same is adequate and working effectively.

5. Directors' Responsibility Statement

In terms of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the Directors, to the best of their knowledge and belief based on the information and explanations obtained by them, confirm that:

- a. in the preparation of financial statements for the financial year 2018-19, the applicable accounting standards had been followed and there were no material departures;
- b. they had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company, preventing and detecting fraud and other irregularities;
- d. they had prepared the financial statements for the financial year on a 'going concern' basis;
- e. they had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and were operating effectively and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

6. Related Party Transactions

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Related Parties which may have potential conflict with the interest of the Company at large.

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee has been obtained for the transactions which are foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted are reviewed by the Audit Committee on a quarterly basis. The Company has put in place proper system for identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link: http://ranegroup.com/rbl_investors/policy-on-related-party-transactions/.

None of the Directors or Key Managerial Personnel or Senior Management Personnel has any material

financial and commercial transactions, where they have personal interest, which may have potential conflict with interest of the Company at large.

7. Corporate Social Responsibility (CSR)

The Rane Group's vision on Corporate Social Responsibility (CSR) is: "To be socially and environmentally responsive organization committed to improve quality of life within and outside". The CSR activities of Rane Group focus on four specific areas viz., (a) Education (b) Healthcare (c) Community Development; and (d) Environment.

The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee comprising of Mr. L Lakshman, Committee Chairman, Mr. L Ganesh, Director and Mr. S C Gupta, Independent Director, as its members. The '**Annexure C**' to this report contains the annual report on CSR activities of the Company for FY 2018-19. The CSR policy of the Company is posted on our website at the link: http://ranegroup.com/rbl_investors/corporate-social-responsibility-policy.

8. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The '**Annexure D**' to this report contains the information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014. .

9. Particulars of Directors, Key Managerial Personnel and Employees

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors, Key Managerial Personnel (KMP) and Employees of the Company are provided in the full version of the Annual Report. The full version of the Annual Report is available for inspection by the members at the registered office during business hours on a working day of the Company up to the date of the ensuing Annual General Meeting. The full annual report including the aforesaid information is being sent electronically to all those members who have registered their e-mail address and is available on the Company's website www.ranegroup.com.

10. Corporate Governance Report

Your Company is a leader in compliance with the corporate governance norms under the SEBI regulations. The Corporate Governance report and the certificate issued by the Statutory Auditors are available in '**Annexure E**' to this report.

11. Other Disclosures

- a) Details of loan, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013, if any, are given in the notes to the Financial Statements.
- b) The Internal control systems and adequacy are discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.
- c) There was no significant material order passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.
- d) The policies approved and adopted by the Board have been made available on the Corporate Governance section of the Investor page on the website of the Company viz. www.ranegroup.com.
- e) The extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is available on the website of the Company at www.ranegroup.com and in 'Annexure F' to this report.
- f) The Company has complied with the applicable secretarial standards viz., SS-1 on meetings of Board of Directors and SS-2 on General Meetings issued by Institute of Company Secretaries of India as per section 118(10) of the Companies Act, 2013.
- g) The Company does not accept any deposit falling under the provisions of section 73 of the Companies Act, 2013 and the rules framed thereunder.
- h) The Company has established a formal vigil mechanism named 'Rane Whistle Blower Policy' for reporting improper or unethical practices or actions which are violative of the code of conduct of the Company.
- i) The Company believes that women should be able to do their work in a safe and respectful environment that encourages maximum productivity. The Company has a zero tolerance towards sexual harassment. The Company has adopted a policy

on prevention of sexual harassment of women at work place and put in place proper dissemination mechanism across the Company. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the period, the details of complaints received / resolved or pending are as under in accordance with provisions of the Companies Act, 2013, as amended from time to time.

No. of complaints received during the financial year – Nil

No. of complaints disposed during the financial year – Nil

No. of complaints pending as of end of the financial year – Nil

There was no complaints reported during the year under review through this mechanism.

- j) Electronic copies of the Annual report and the notice convening the 14th Annual General meeting (AGM) would be sent to the members whose email address are registered with the Company or their respective Depository Participants. For members who have not registered their email address, physical copies of the Notice and Annual Report would be sent in the permitted mode.

For and on behalf of the Board

L Ganesh

Chairman

DIN: 00012583

Vinay Lakshman

Managing Director

DIN: 07295820

Chennai
May 22, 2019

Annexure A to Report of the Board of Directors

Management Discussion And Analysis

1. Company Overview

Rane Brake Lining Limited (RBL) manufactures and markets auto components viz., safety critical friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks for Passenger Cars (PC), Utility Vehicles (UV), Commercial Vehicles (CV), Two-wheelers and Railways. The Company operates predominantly in a single reportable segment - components for the transportation industry.

2. Economic Review

2.1 Global Economy

Global economy growth started on a strong note fuelled partly by US tax cuts and the rising demand for imports. However, as the year progressed, momentum faded and growth started to wane owing to increasing interest rates, trade frictions and the imposition of import tariffs, which hurt economic activity worldwide. According to the estimates of the International Monetary Fund (IMF), global growth is estimated to have slightly tapered down to 3.7% in 2018 and is expected to decline further to 3.5% in 2019, amid weakening sentiment in the global financial markets and further erosion of business and consumer confidence. A range of triggers including trade wars, Brexit, slowdown in China, rising interest rates and tightening financial conditions globally could spark a further deterioration in risk sentiment and derail growth prospects.

2.2 Indian Economy

According to estimates provided by Central Statistics Office (CSO), India's economy grew at 6.8% in FY 19, lower than 7.2% in the previous fiscal. This slowdown has been attributed to slow rural consumption demand, lapses in the manufacturing sector, agricultural distress and unemployment. Tighter financial conditions owing to disruption in the Non Banking Financial Company (NBFC) sector, higher oil prices, adverse terms of trade and lower growth in partner countries continue to be major overhang. Slowdown in growth combined with declining inflation has provided policy makers with room for softening of interest rates to stimulate growth in the economy. As per IMF, Indian economy is expected to expand to 7.1% in FY20 benefiting from structural reforms and softening interest rates.

3. Indian Automobile Industry

The Indian automobile industry started the fiscal year on a positive note supported by healthy monsoon, rising rural demand, government's infrastructure push and rise in industrial activity. However, the momentum faded away in the latter part of the fiscal year due to unabated increase in fuel prices, lower financing availability, steep price increase on account of insurance regulation w in September 2018, floods in Kerala and heavy monsoons in certain parts of the country.

The Passenger Vehicle (PV) segment experienced muted growth of 0.1% owing to a slowdown in the market. With the continued shift of preference from Passenger Car (PC) segment to Utility vehicle (UV) segment by the end users, the UV segment grew by 0.5% whereas the PC segment volume declined by 1.3%.

Volumes in the Domestic Commercial Vehicle segment volumes soared to all-time high, representing 24.1% growth as the segment benefited from a lower base as truck sales were hit by the transition to stricter emission norms, Bharat Stage (BS) IV, last year. The Medium and Heavy Commercial Vehicles (M&HCV) segment's growth of 28.4% for the year can be attributed to buoyant demand from the infrastructure industry and benefit of lower base on transition to BS IV last year. Despite the introduction of new axle load norms, Medium and Heavy Commercial Vehicles (M&HCV) segment continued with strong growth momentum in the first half of the fiscal year. However, there was a sharp decline in the M&HCV segment in the second half of the fiscal due to liquidity crunch amid NBFC crisis and volume alignment post axle load norms. The Light Commercial Vehicles (LCV) segment reported strong volume growth of 12.4% driven by healthy rural demand and improved demand from the e-commerce sector. The Small Commercial Vehicles segment reported substantial volume growth of 39.7%.

Farm Tractors (FT) experienced growth of 11.3% as the farm sentiments remained healthy led by higher farm output, better crop prices, and government interventions in the run-up to the 2019 general elections. However lack of financing due to liquidity constraints in the lending sector and decline in crop area proved to be dampener in Q4 of FY19.

Two-wheelers volume grew by 5.8% supported by rural demand and strong momentum in export markets.

During the year under review, the volume growth in Indian automotive industry is represented in the following table:

Vehicle Segment	Production Volume	Growth in % (YoY change)
	FY19	FY18
Passenger Cars (PC)	(1.3)	1.3
Multi-Utility Vehicles (MUV)	0.5	20.2
Multi-Purpose Vans (MPV)	20.6	0.3
Passenger Vehicles	0.1	5.8
Small Commercial Vehicles (SCV)	39.7	26.8
Light Commercial Vehicles (LCV)	12.4	14.0
Medium & Heavy Commercial Vehicles (M& HCV)	28.4	2.7
Commercial Vehicles	24.1	11.2
Farm Tractors (FT)	11.3	14.4
Two Wheeler	5.8	16.2

Source: Society of Indian Automobile Manufacturers (SIAM)

4. Business Review

4.1 Domestic Market

The Company reported 7% increase in the domestic sales. The overall market remained positive for the Company.

The Company reported over 11% growth in Brake Linings. Disc pad revenue was in line with last year and 36% increase in other automotive parts.

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

Products	(₹ in Crores)		
	FY19	FY18	Growth in %
Brake linings	206.79	186.60	11%
Disc Pads	244.36	243.63	0%
Other Automotive Parts	39.86	29.31	36%
Total	491.01	459.54	7%

The sales to Original Equipment Manufacturer (OEM) and Aftermarket (AM) customers for the Company reported growth of 6% and 8%, respectively.

(₹ in Crores)

Market	FY19	FY18	Growth in %
OEM*	302.60	284.93	6%
Aftermarket	188.41	174.62	8%
Total	491.01	459.54	7%

4.2 Exports

The exports for the year was ₹22 Crores, a decrease of 0.7% compared to the previous year. Political environment and economic environment in SAARC countries resulted in drop in overall volumes.

4.3 Operational and Financial Performance

4.3.1 Financial Review

The Company registered a turnover (net sales) of ₹513.01 Crores which was 7% higher than the sales reported for FY18 with new products generating 5% of the revenues. The profit before tax was ₹49.31 Crores registering a decrease of 10% over the previous year. The profitability growth was affected owing to adverse forex movement, unfavourable product mix and increase in raw material price.

4.3.2 Operations and Manufacturing Review

Strong demand from the Indian OEMs predominantly in PC and Two-Wheeler in first three quarters led to improvement in the overall business for the Company. The Company won new businesses worth ₹23.7 Crores during the financial year.

Energy conservation continues to be one among key focus areas. In this regard, Company added 2 MW Solar power during the financial year to cater the requirements of Plants in Tamil Nadu.

Considering potential demand for 2 Wheeler segment, Company has been proactively creating capacities with special focus on quality enhancement through latest technologies at its Puducherry Plant.

Various people development initiatives continued to yield positive benefits. Long Term Settlements (LTS) at Chennai Plant concluded well within time lines. Company successfully completed key customer audits by Maruti Suzuki, Tata Motors, Delhi / Kolkata Metro, Royal Enfield and other Customers across all locations successfully.

Some of the other key operations and manufacturing highlights include:

- i. Capacity creation for Two-wheeler products at Puducherry Plant and PCP at Trichy Plant.
- ii. Continued to enhance formulation library with new formulations to cope with specific Customer demands
- iii. Continued focus to expand Aftermarket dealer network and appointed new dealers – TASL and IMS
- iv. With a special focus on safety, we took an initiative to involve a reputed agency to conduct a study at the Plant facilities
- v. Certified by 'Great Place to Work' for the third time in a row

4.4 Pursuit of Business Excellence

The Company continues to focus on the 'Business Excellence Model' which was built on the strong foundation of existing Total Quality Management (TQM) practices.

Customer centric approaches helped us to get improved ratings. The Company won the following awards during the year:

- Best Supplier 2019 – Friction from Brakes India Private Limited
- HR Excellence award from ACMA
- Various Outstanding / Platinum / Gold awards from QCFl; ABK - AOTS in different categories

4.5 Opportunities and Threats

The Indian auto component industry is in a strong position with proven credentials of cost-effectiveness and globally-recognized engineering capabilities. Favourable demographics, growing economy, low penetration of cars and a major thrust on infrastructure by the government bodies well for the industry and the Company. Increased awareness on safety features in the vehicles and OEMs preference to improve safety rating of vehicles will increase application rates of occupant safety products.

The main threats facing the auto component industry are:

- Economic slowdown leading to contraction in demand remains one of the major threat which could lead to decreased volumes and capacity utilisation
- Political uncertainty and looming trade war

- Continuing cost reduction demand from OEMs, who are expected to be the major growth drivers in future
- Increasing commodity prices and volatile forex movements

4.6 Outlook

The global economy is expected to clock lower growth in 2019 with factors such as ongoing trade wars, Brexit and slowdown in China impacting the momentum global economy, further deteriorating risk sentiment and derailing growth prospects.

At the start of FY20, the domestic consumption and consumer confidence are not expected to encourage automotive sales. Though the first half of the FY20 looks challenging, anticipated pre-buy on account of transition to BS VI, favourable monsoon and macro-economic policy direction are likely to stimulate consumption. In this scenario, the Company remains cautiously optimistic and prepared to handle the headwinds in the sector.

5. Risk Management

The Company has laid down well-structured procedures for monitoring the risk management plan and implementing the risk mitigation measures. The risks are broadly classified into strategic risks, operational risks, financial risks and statutory compliance risks. These risks are rated based on factors such as past year experience, probability of occurrence, probability of non-detection and their impact on business. The top management reviews the strategic risks, the risks with high probability and high impact every quarter and presents its report along with risk mitigation plan to the Board of Directors on half-yearly basis. The strategic risks are taken into consideration in the annual planning process with their mitigation plan. Other risks are covered as part of internal audit process and presented to the Audit Committee every quarter. The business processes risks and the related controls are subjected to internal audit and reviewed on a quarterly basis. The risk ratings are revalidated with the top management as part of their internal audit process every quarter. The overall re-assessment of risks at the Company level is carried out and presented to the Board of Directors once in two years for their review.

	Risk	Nature of Risk	Risk Mitigation Strategies
Strategic	Industry / Market risk	Around 90%+ of revenue is derived from Indian Automotive sector. Hence, any drop in vehicle production will have a significant impact on the Company’s business	<p>The Company constantly strive to</p> <p>a) Improve presence in Aftermarket segment which is sizeable portion of the revenue and presents an opportunity to compensate for any drop in OE segment</p> <p>b) Increase revenue from international markets (outside of India)</p> <p>c) Add new products to increase organic revenue and diversify customers across vehicle segments</p>
	Technology Obsolescence Risk	Auto Industry and customer preference undergoes changes resulting in technology obsolescence	<p>The Company has consistently delivered cutting edge technology products with</p> <p>a) Technical collaboration with the global majors</p> <p>b) Enhanced R&D capabilities, localization of testing and validation capabilities</p>
	Competition	Maintaining market share in the Competitive market and availability of unorganized players further pose challenge	<p>The Company’s long standing relationship with OEMs, state-of-the-art facilities and best-in-class processes help deliver superior value to the customers. We periodically conduct customer survey to understand customer feedback and work in furthering our relationship with the customers.</p>
	Quality / Processes	Quality and delivery are sacrosanct for safety critical products supplied by the Group	<p>Skilled workforce, imparting job skill enhancement training, enhancing supplier capabilities and robust manufacturing processes help the Company mitigate quality and delivery risks.</p>
Operational	People Risk	Attrition of key personnel could impact business operations and growth.	<p>The Company’s HR processes are constantly upgraded to attract, retain and develop talent. The policies are people-centric and industry accolades on HR practices help attract talent. The dedicated training centre supports to build functional capabilities and develop strong leadership pipeline. The performance management system and other employee engagement initiatives help develop and retain talent.</p>
Operational	Raw Material (Input) Price Risk	Material cost is a significant part of the cost and volatility in the price of raw material costs will erode margin	<p>The Company constantly strive to mitigate the input cost increases.</p> <p>a) Procurement function will work on cost reduction initiatives through alternate sourcing, localization, etc.</p> <p>b) Negotiating to pass through input cost increases suitably to the customers.</p> <p>c) Working on process improvements, yield improvements, etc.</p>

Risk	Nature of Risk	Risk Mitigation Strategies
Financial	Currency Risk	<p>The Company uses multi-pronged approach as suitable to the scenarios</p> <p>a) Optimally balance the import and export to create natural hedge.</p> <p>b) Work with customer to index prices to mitigate currency fluctuations.</p> <p>c) Taking simple forwards on a rolling basis to protect its export realization.</p>
	Interest Rate Risk	<p>The Company manages interest rate risk on the following basis:</p> <p>a) Using of internal accruals to fund expansion</p> <p>b) Constantly optimising working capital to reduce interest costs</p>

6. Human Resource Development and Industrial Relations

6.1 Talent Transformation Initiatives

In FY19, the Company focused on Functional and Leadership capacity enhancement through following initiatives:

- 10 employees completed Rane Manufacturing Systems Professional program (RMSP), an 18-month intervention, with the objective to build manufacturing capability focusing on manufacturing processes and systems with a blended learning approach comprising of gemba, class-room and online courses.
- The 'Supply chain as a Source of Competitive Advantage' initiative was rolled out in collaboration with IIM-Bangalore to enhance the understanding of the best practices and recent developments for supply chain professionals.
- A programme for the aftermarket team was organized to reimagine the focus on lead indicators, group synergy and integrated market intelligence.
- Lean Production System has been strengthened through implementation of Cross Company Learning. To sustain the Business Excellence practices, select employees who are part of high potential leadership development track were trained as internal auditors for Rane Business Excellence Audit (R-BEAT).
- Young Leadership Development (YLD) intervention was launched for first-time managers. 10 employees underwent the intervention that has been designed to enhance their organizational, personal and team effectiveness and imparting leadership behaviours through experiential learning.

- The Company continued with the High Potential Leadership Development (HPLD) program and two employees were identified for the fifth batch. They have undergone a development journey comprising development centre, experiential learning and a customised management development programme, TOP GEAR, at Great Lakes Institute of Management and pursued Action Learning Projects on business specific challenges.
- A first-of-its kind program called 'Leader as Coach' was introduced with the objective of developing leaders in becoming competent at employee development and engaging in deeper conversations with the team to realise, increased commitment towards business results. Leaders were provided inputs on cultivating appreciation of how change can happen and develop an understanding of generic coaching skills and processes that are critical to address employee development.
- Senior management team went through a program on "Making an Informed Choice" to enhance the effectiveness of hiring decisions

6.2 Employee Engagement

The human resource function at Rane goes beyond the boundaries of compensation and helps employees to build meaningful and stable careers. The Company constantly engages with employees to receive their feedback through annual survey and group discussions. Based on the feedback, several positive changes are introduced in the practices to provide a holistic experience. In recognition of our efforts, RBL has been certified for the third time in a row as a Great Place to Work Company.

6.3 HR Technology

The HR digital platform continues to evolve at a rapid pace creating new service delivery models in distributed ecosystem. Some of them are:

- Employee Lifecycle Management – The onboarding application was launched to enable the new hires to capture the data, repopulate repetitive information in various forms and seamlessly transition data to Human Resource Management System, thus significantly enhancing the efficiency.
- Compensation & Benefits – Workflow was introduced to enable employees to include dependents, opt for enhanced sum insured by paying additional premium at competitive rates and track claims.
- The Company will implement a comprehensive learning management solution to design, deliver programmes and disseminate analytics on various learning and development initiatives.

This augments well with our already implemented digital initiatives such as performance assessment and development system, internal job posting etc.

6.4 Policy Initiatives

Rane Group believes in conducting the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour. Rane Whistle Blower Policy was amended to further strengthen the vigil mechanism and speed up the enquiry process.

6.5 Industrial Relations

During the financial year, long term wage settlements with employee union were signed in one of the plants. The industrial relations were generally cordial in all the plants.

Special initiatives were taken up to encourage and provide differently abled people with employment opportunities at different locations of the Company.

7. Corporate Social Responsibility (CSR)

RBL continues to be a very responsible corporate citizen and places significant weightage on carrying out its CSR duties and create a positive impact on the society. The Company is committed to make meaningful contribution to the society as part of our CSR initiatives.

RBL contributed to Rane Foundation (RF), the CSR arm of Rane Group, which primarily focused on Education and Healthcare in FY19.

After establishing Rane Polytechnic Technical, the next significant project of RF is Rane Vidyalaya (RV) which was established in June 2018 at Theerampalayam, Manachannallur Taluk, Tiruchirappalli District with a mission of providing quality education for rural children. The school began functioning for the academic year 2018–19 with classes from Nursery to Class II and follows CBSE curriculum. In 2019–20, RV will extend admissions for up to Class V and will progressively grow to become a higher secondary school.

Major CSR activities carried out by RBL during FY19 are as follows:

- Supported infrastructure development such as library, computer lab, RO Plant, lunch shed, toiletries, etc., at government primary schools and specific institutions in Chennai, Pongalur, Puducherry and Trichy
- Engaged in supporting education for children at SOS Children's Village of India and conducted motivational talks, career guidance and annual sports meets at schools
- Undertook green initiatives such as greenery development, lake restoration, etc.

8. Internal Control Systems

The Company has put in place robust internal control system to prevent operational risks through a framework of internal controls and processes. These controls ensure that the business transactions are recorded in a timely and complete manner in the financial records, resources are utilised effectively and the assets are safeguarded.

The internal audit function is outsourced to a professional firm of independent assurance service providers. The Audit Committee and the Board in consultation with the internal auditor, statutory auditor and operating management, approve the annual internal audit plan. The scope also covers the internal financial controls and internal controls over financial reporting. The internal audit findings are placed before the Audit Committee at each of its quarterly meeting for review. The management's responses and counter measures are discussed in the Audit Committee meetings. This process ensures robustness of internal control system and compliance with laws and regulations including resource utilization and system efficacy.

9. Cautionary Statement

The information and opinion expressed in this report may contain certain forward-looking statements, which the management believes are true to the best of its knowledge at the time of its preparation. Actual results may differ materially from those either expressed or implied in this report.

Annexure B to the Report of the Board of Directors

Secretarial Audit Report

For the Financial Year Ended March 31, 2019
Form No. MR-3

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To the Members of

Rane Brake Lining Limited

[CIN: L63011TN2004PLC054948]

"Maithri", No.132, Cathedral Road, Chennai – 600 086.

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED** ('the Company') during the financial year from April 01, 2018 to March 31, 2019 ('the year' / 'audit period' / 'period under review').

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts / statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination / verification of the books, papers, minute books and other records maintained by the Company and furnished to us, forms and returns filed and compliance related action taken by the Company, during the year as well as after March 31 2019, but before the issue of this report;
- (ii) Certificates confirming compliance with all laws applicable to the Company, given by the Directors / key managerial personnel of the Company, and noted by the Board of Directors;
- (iii) Report regarding compliance with certain factory related laws, given by the Internal Auditors and noted by the Audit Committee; and
- (iv) Representations made and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on March 31, 2019, the Company has complied with the statutory provisions listed hereunder and has Board processes and compliance mechanism in place, to the extent, in the manner and subject to the reporting made hereinafter.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

1. Compliance with specific statutory provisions

We further report that:

- 1.1. We have examined the books, papers, minute books and other records maintained by the Company, the forms, returns, reports, disclosures and information filed, submitted or disseminated during the year, according to the applicable provisions / clauses of:
 - (i) The Companies Act, 2013, and the rules made thereunder.
 - (ii) The Securities Contracts (Regulation) Act, 1956, and the rules made thereunder.
 - (iii) The Depositories Act, 1996, and the regulations and bye-laws framed thereunder.
 - (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder, to the extent of Foreign Direct Investment ('FEMA').
 - (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Regulations'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR, 2015');
 - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) ('Agreements').
 - (vii) Secretarial Standards issued by The Institute of Company Secretaries of India ('Secretarial Standards').
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2019 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:

- (i) Generally complied with the applicable provisions of the Act, Rules, Regulations and Agreements, mentioned in paragraph 1.1 (i) to (vi) above; and
- (ii) Generally complied with the Secretarial Standards on 'Meetings of the Board of Directors' (SS-1) and 'General Meetings' (SS-2) mentioned in paragraph 1.1 (vii) above, to the extent applicable to Board meetings and General meetings. Secretarial Standards on 'Dividend' (SS-3), being non-mandatory has not been adopted by the Company. Secretarial Standards – 4 (SS-4) on 'Report of the Board of Directors' (nonmandatory) came into effect from October 01, 2018, after approval of the report of the Board of Directors for the financial year ended March 31, 2018; and hence compliance with same did not arise during the year.

1.3. We are informed that, during / in respect of the year:

- (i) The Company was not required to comply with the following laws / rules / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms or returns under:
 - (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder, to the extent of Overseas Direct Investment and External Commercial Borrowings;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act, 2013, and dealing with clients;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations ['SEBI ICDR'], 2009 (upto November 09, 2018) and the SEBI ICDR, 2018 (from November 10, 2018);
 - (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
 - (g) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018.

- (ii) There was no other law that was specifically applicable to the Company, considering the nature of its business. Hence the requirement to report on compliance with specific laws under paragraphs 1.1 and 1.2 above did not arise.

2. Board processes

We further report that:

2.1 Board constitution and balance

- (i) The constitution of the Board of Directors of the Company during the year, was in compliance with the applicable provisions of the Companies Act, 2013 ('the Act'), and LODR.
- (ii) As on March 31, 2019, the Board of Directors of the Company comprises of:
 - (a) 1 (one) Executive Director;
 - (b) 4 (four) Non-Executive Non-Independent Directors; and
 - (c) 5 (five) Independent Directors, including 1 (one) Independent Woman Director.
- (iii) The processes relating to the following changes in the composition of the Board of Directors during the year, were generally carried out in compliance with the applicable provisions of the Act and LODR:
 - (a) Appointment of Mr. Yasuji Ishii (DIN: 08078748), Nominee of M/s. Nisshinbo Holdings Inc., as an Additional Director, with effect from April 13, 2018, which was approved at the 13th Annual General Meeting (AGM) held on July 24, 2018, in the place of Mr. Kazuhiro Iwata (DIN: 06875329) who ceased to be a Director with effect from April 13, 2018.
 - (b) Re-appointment of Mr. L Lakshman (DIN: 00012554) as Director, upon retirement by rotation at the 13th AGM held on July 24, 2018.
 - (c) Re-appointment of Mr. Vinay Lakshman (DIN: 07295820) as Managing Director for a further term of 5 (five) years from April 01, 2018 to March 31, 2023.
 - (d) Re-appointment of Ms. Ranjana Kumar (DIN: 02930881) as an Independent Director for a second term, to hold office for a period of 3 consecutive years, from the conclusion of the 13th AGM held on July 24, 2018 till the conclusion of the 16th AGM or July 23, 2021, whichever is earlier.

2.2 Board meetings

- (i) Adequate notice was given to all the Directors to enable them plan their schedule for the Board Meetings.
- (ii) Notice of Board meetings was sent to all the Directors atleast 7 (seven) days in advance.
- (iii) Agenda and detailed notes on agenda were sent to the Directors atleast 7 (seven) days before the Board meetings, with the exception of the following items, which were either circulated separately or at the Board meetings:
 - (a) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and
 - (b) Additional subjects / information / presentations and supplementary notes.

2.3 A system exists for Directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.

2.4 We are informed that, at the Board meetings held during the year:

- (i) Majority decisions were carried through; and

- (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the Minutes.

3. Compliance mechanism

We further report that:

- 3.1 There are adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

4. Specific events / actions

We further report that:

- 4.1 During the audit period, no specific events / actions having a major bearing on the Company's affairs, took place in pursuance of the above referred laws, rules, regulations and standards.

For S. Krishnamurthy & Co.,
Company Secretaries

R Sivasubramanian
Partner

Place: Chennai
Date: May 22 2019

Membership No: A22289
Certificate of Practice No: 12052

Annexure – A to Secretarial Audit Report of even date

To
The Members of
Rane Brake Lining Limited
[CIN: L63011TN2004PLC054948]
"Maithri", No.132, Cathedral Road, Chennai – 600 086.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2019 is to be read along with this letter.

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after March 31, 2019, but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal / professional opinion / certification obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company, as they are subject to audit by the Auditors of the Company appointed under Section 139 of the Companies Act, 2013.
7. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
8. Our Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For S. KRISHNAMURTHY & CO.,
Company Secretaries

R SIVASUBRAMANIAN
Partner

Place: Chennai
Date: May 22 2019

Membership No: A22289
Certificate of Practice No: 12052

Annexure C to the Report of the Board of Directors

Annual Report on CSR activities

For Financial Year 2018-19

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

The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'.

Overview of projects implemented during 2018-19:

RBL continued its initiatives focussing sustenance.

1. Education & Health care:

A. Institutional Development

Focussed initiatives at identified Government Primary schools and other specific institutions at Chennai, Hyderabad, Puducherry & Trichy like

- provision of computer and printer for school computer lab, creation of library and provision of tables and chairs
- Support of 5 children's education at SOS Children's Village of India, Motivating top performing students, Career guidance and Conducted annual sports meets at schools
- Other amenities like provision of lunch shed and infrastructure development i.e. Floor and park play items installation

B. Vocational Development

Underprivileged Women empowerment for at various locations on overall upkeep by providing sewing machines and training.

C. Awareness Programme

Promoting health and sanitation for the community. Awareness programmes on housekeeping and first aid was carried out for the local primary government schools at Puducherry.

2. Community Development – Amenities and Sanitation

- Focus on providing Safe Drinking Water facility including RO Plant, AMC in government primary schools. Toilet renovation works.

3. Environment - Plantation Drives

- Emphasis made on Greenery within the vicinity of our plants.

B. Provision of Sapling Guards

- Protection of Puducherry Keni (Thennam Poigai Kulam) at Sholinganallur, Chennai

The policy on CSR recommended by the CSR Committee was approved and adopted by the Board of Directors is available on the website of the Company @ http://ranegroup.com/rbl_investors/corporate-social-responsibility-policy/

2. The Composition of the CSR Committee

The Company has constituted a robust governance structure to oversee the implementation of the CSR projects, in compliance with the requirements of Section 135 of the Companies Act, 2013. The CSR governance structure of RBL will be headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Management CSR Committee of the Company to act on their behalf. The members of the CSR Committee are:

Board CSR Committee	Management CSR Committee
Mr. L Lakshman Committee Chairman, Non-Executive & Promoter Director	Mr. Vinay Lakshman Managing Director
Mr. L Ganesh Chairman, Non-Executive & Promoter Director	Mr. M A P Sridhar Kumar Senior Vice President – Finance & CFO
Mr. Suresh Chandra Gupta Non-Executive & Independent Director	Mr. R Govardhanan General Manager – Human Resource

3. Average net profit of the Company for last three financial years

(₹ in Crores)

Particulars	2015-16	2016-17	2017-18
Net profit for the year (PAT)	25.76	34.72	35.75
Adjusted Net profit (as per Section 198)	35.80	42.55	55.23
Average Net profit	44.53		

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): ₹89.06 lakhs

5. Details of CSR spent during the financial year

- Total amount to be spent for the financial year: ₹89.06 lakhs

- Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹ lakhs)

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs – (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or program. (Sub-heads -1- Direct on projects or program 2- Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
1	Education – Institutional Development	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. (ii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.	Local Trichy (Tamil Nadu)	101.25	101.25	101.25	Implementing Agency : Rane Foundation (Registered Trust) – 101.25.
2	Education – Awareness Programs	(i) Improving school education, Enhancing infrastructure, promoting preventive health care and sanitation and making available safe drinking water.	Local Chennai (Tamil Nadu), Pregnapur (Telangana), Thirubuvanai (Puducherry), Trichy (Tamil Nadu)	11.71	11.71	112.96	Direct :11.61 Implementing Agency: SOS Children's Village – 1.10
3	Education – Vocational Training & skill development	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, and the differently abled and livelihood enhancement projects. (ii) Skill development for women self-help groups (SHG)	Local Trichy (Tamil Nadu)	0.20	0.20	113.16	Direct : 0.20
4	Community Development – Amenities and Sanitation	(i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.	Local Thiruvallur (Tamil Nadu), Pregnapur (Telangana); Thirubuvanai (Puducherry), Trichy (Tamil Nadu)	8.26	8.26	121.42	Direct : 8.26

(Amount in ₹ lakhs)

Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs – (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or program. (Sub-heads -1- Direct on projects or program 2- Overheads)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency*
5	Environment – Plantation Drives	(i) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining air and water.	Local Sethurapatti, Trichy (Tamil Nadu) and, Protection of Puducherry Keni	4.30	4.30	125.72	Direct : 0.30 Implementing Agency – Rotary club of Madras – through NGO – 4.00
6	CSR capacity building	–	Local Thiruvallur (Tamil Nadu), Pregnapur (Telangana); Thirubuvanai (Puducherry), Trichy (Tamil Nadu)	0.58	0.58	126.30	NextGen Consultants – 0.58
Total				126.30	126.30	126.30	

6. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report

Not Applicable

7. Responsibility statement of the CSR Committee

The implementation and monitoring of our CSR Policy is in compliance with the CSR objectives and policies. The Board of the Company and the CSR Committee is responsible for the integrity and the objectivity of all the information provided in the disclosure above. All the projects reported have been considered and undertaken with the best of our intentions to contribute to the greater good of the society. We have undertaken and implemented these projects with careful consideration and these projects are aligned with our vision as provided in our CSR Policy. In line with the requirements of the Companies Act, 2013, we have also instituted monitoring mechanisms to ensure the projects go on smoothly as planned.

Chennai
May 22, 2019

Vinay Lakshman
Managing Director
DIN: 07295820

L Lakshman
Chairman of the Committee
DIN: 00012554

Annexure D to the Report of the Board of Directors

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Pursuant to provisions of section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014

A. Conservation Of Energy

Steps taken or impact on conservation

- Horizontal deployment of best practices across Plants
- Waste heat recovery in Ovens
- Conversion of reciprocating compressors with screw compressors
- Implementation of Bag moulding process in place of conventional preform process
- Power factor improvement initiatives

Steps taken for utilising alternate sources of energy

- 2 MW Opex Model solar power for Tamil Nadu Plants.
- Continue to use alternate sources viz. Wind and Solar
- Overall, Renewable energy contributes around 25% of overall energy consumption

Capital investment on energy conservation equipments

- Additional 3 MW + alternate green energy project under evaluation.

B. Technology Absorption

Efforts made towards technology absorption

- Enhancing formulation library through our technical collaborators – NISB-TMD
- Specific initiatives
 - * Indigenously developed disc pad grade to cater the needs of SUV C segment vehicles
 - * Special focus made to cater the needs of CVL and Metro rail segment
 - * Cost effective HLV grades for Aftermarket
 - * Sintered pad for Two wheeler segment with high performance / Premium applications
- Continuous focus on development of Green material
- Testing capability enhancement – added M 2000 Dynamometers for Two wheeler testing and continuously upgrading existing Dynamometers to cater the needs of
 - * Disc pads for high speed trains like LHB of Indian Railways
 - * CV Dyno with new control systems from Link Engineering, USA to suit globally acceptable test results

* PC Dyno upgrade to support inertia change

- New Link engineering Vmax Vehicle data-logger put to use
- MSIL conducted a Product Design & Development audit for R&D. A first of its kind of initiative by an OEM for a Tier-2. MSIL did a complete audit of our systems & development process and appreciated our process approach, long term development roadmap for various applications etc.

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

These efforts have enabled the Company to enhance the competitiveness, continue its growth in the OEM business and offer localization solutions to major global customers for their new programs.

Details of Imported Technology (during the last 3 years reckoned from the beginning of the FY 2018-2019)

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

Research and Development expenditure incurred

(₹ in Crores)

Sl. No.	Particulars	2018-19	2017-18
A	Capital expenditure	10.29	0.30
B	Recurring expenditure	17.07	10.99
C	Total	27.36	11.29
D	Total R & D expenses as a percentage of total turnover	5.25%	2.32%

C. Foreign Exchange Earnings And Outgo

(₹ in Crores)

Foreign Exchange	2018-19	2017-18
Earnings	23.61	21.24
Outgo	95.69	85.67

For and on behalf of the Board

L Ganesh

Chairman

DIN : 00012583

Vinay Lakshman

Managing Director

DIN : 07295820

Chennai

May 22, 2019

Annexure E to the Report of the Board of Directors

Corporate Governance Report

1. Philosophy on Code of Governance

Rane Group's time tested philosophy of Governance is based on principles of integrity, transparency and fairness. The Rane businesses seek enhancement of shareholder value within this framework. Directors' code of conduct and employee behaviour is nourished by this culture and is governed through a policy document "Ethical Standards of Behaviour – RANE COMPASS".

Our belief in good corporate citizenship enshrined in the Company's Code of Conduct, its policies, compliance with law and robust internal control systems, which are subjected to regular assessment, drives its effectiveness, reinforces integrity of management and fairness in dealing with all the stakeholders. This meets with all statutory and regulatory compliance including those under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR).

2. Board of Directors

Composition, Attendance & Meetings

As on March 31, 2019 the Board comprised of nine (9) Non-Executive Directors of which five (5) are Independent Directors and four (4) are Non-Executive Directors and one (1) Executive Director in the capacity of Managing Director. The Chairman of the Board is a Non-Executive Director. There are no Alternate Directors on the Board. The woman Director of the Company is an Independent Director. The composition of the Board

is aimed at maintaining an appropriate balance of skills, background, experience and knowledge of the Board and the same as at end of FY 2018-19 is in conformity the Regulation 17 of SEBI LODR .

To the best of our knowledge and information furnished to the Board, total directorships held by the Directors are within the limits prescribed under Section 165 of the Companies Act, 2013. In compliance with Regulation 25 of SEBI LODR, none of the Independent Directors serves as an Independent Directors in more than seven (7) listed Companies and where any Independent Director is serving as Whole-Time Director in listed Company not more than three (3) listed Companies is served by him / her as an Independent Director. Similarly, none of the Directors on the Board, is a member of more than 10 Committees or Chairperson of more than 5 Committees across all listed and unlisted Public Companies in which he/she is a Director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the FY 2018-19 on April 13, 2018; July 24, 2018; October 23, 2018; January 28, 2019 and March 18, 2019. The names and categories of the Directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year, the number of Directorships and Committee memberships / Chairperson position(s) held by them in other public Companies as on March 31, 2019 are given below:

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 24, 2018)	Number of Directorship in other Public Companies #		Number of Committees Membership ®	
				Chairperson	Member	Chairperson	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	5	-	5
Mr. Vinay Lakshman (07295820)	Managing Director, Executive & Promoter	5	Yes	-	1*	-	-
Mr. Anil Kumar V Epur (00202454)	Non-Executive & Independent	5	Yes	-	1	-	-
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	5	Yes	1*	5*	1	2
Mr. Krishna Kumar Seshadri (00062582)^	Additional Director - Non-Executive (Independent)	NA	NA	-	1	-	1
Mr. L Lakshman (00012554)	Non-Executive & Promoter	4	Yes	-	5	1	5
Mr. Parvathaneni Santosh Kumar** (00267280)	Non-Executive & Independent	5	Yes	-	1	-	2
Ms. Ranjana Kumar (02930881)	Non-Executive & Independent	4	No	-	3	-	1

Name of the Director / (DIN)	Category	No. of Board meetings attended	Attendance at the last AGM (July 24, 2018)	Number of Directorship in other Public Companies #		Number of Committees Membership ®	
				Chairperson	Member	Chairperson	Member
Mr. Suresh Chandra Gupta (02085068)	Non-Executive & Independent	5	Yes	-	-	-	-
Mr. S Sandilya (00037542)	Non-Executive & Independent	5	Yes	2	4 *	3	5
Mr. Yasuji Ishii (08078748)	Non-Executive & Nominee	3	No	-	-	-	-

** In view of attaining the age of retirement as per policy of the Company, Mr. Parvataneni Santosh Kumar, ceased to be an Independent Director with effect from conclusion of meeting the Board of Directors held on May 22, 2019.

excludes Directorships held on the Boards of private Companies, Section 8 Companies and Companies incorporated outside India.

* Deemed Public Company

@ Membership in Audit Committee and Stakeholder Relationship Committee of other Public Companies are only considered as per Regulation 26 of SEBI LODR and membership includes the positions held as Chairperson of the Committee.

^ Appointed as Additional Director (in the category Independent Director) effective May 22, 2019

The details of other Directorship held by the Directors of this Company in other listed entities is as under:

Name of Director	Name of the listed entity	Category of Directorship
Mr. L Ganesh	Rane (Madras) Limited	Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Chairman & Managing Director and Promoter
	Rane Holdings Limited	Chairman & Managing Director and Promoter
	EIH Limited	Non-Executive & Independent
	EIH Associated Hotels Limited	Non-Executive & Independent
Mr. Vinay Lakshman	-	-
Mr. Anil Kumar V Epur	-	-
Mr. Harish Lakshman	Rane (Madras) Limited	Vice Chairman, Non-Executive & Promoter
	Rane Engine Valve Limited	Vice Chairman, Non-Executive & Promoter
	Rane Holdings Limited	Vice Chairman, Non-Executive & Promoter
	Oriental Hotels Limited	Non-Executive & Independent
Mr. Krishna Kumar Seshadri	Rane Engine Valve Limited	Non-Executive Director & Independent
Mr. L Lakshman	Rane (Madras) Limited	Non-Executive & Promoter
	Rane Engine Valve Limited	Non-Executive & Promoter
	Rane Holdings Limited	Chairman Emeritus, Non-Executive & Promoter
	SRF Limited	Non-Executive & Independent
	D C M Limited	Non-Executive & Independent
Mr. Parvathaneni Santosh Kumar	The K C P Limited	Non-Executive Director & Independent
Ms. Ranjana Kumar	Tata Global Beverages Limited	Non-Executive Director & Independent
	Britannia Industries Limited	Non-Executive Director & Independent
Mr. Suresh Chandra Gupta	-	-
Mr. S Sandilya	Eicher Motors Limited	Chairman, Non-Executive Director & Independent
	Mastek Limited	Chairman, Non-Executive Director & Independent
	GMR Infrastructure Limited	Non-Executive Director & Independent
Mr. Yasuji Ishii	-	-

Mr. L Lakshman is related to Mr. L Ganesh, Mr. Harish Lakshman and Mr. Vinay Lakshman

The matters specified pursuant to Regulation 17(7) of SEBI LODR under PART A of Schedule II and in particular the annual operating plans and budgets, quarterly results for the Company, minutes of meetings of Audit Committee and other Committees of the Board, quarterly details of foreign exchange exposures, risk management and mitigation measures etc., were discussed by the Board.

Annual calendar for the Board and its Committee meetings was circulated in advance to the Directors and Directors were provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. Post Board meeting reviews were held by the Chairman to monitor and follow up the effective execution of the decisions, directions and suggestions of the Board and its Committees, by the management.

The disclosure regarding meeting of Independent Directors, Board and Directors' performance evaluation are discussed in detail in the Directors Report.

In the opinion of Board, the Independent Directors fulfil the conditions specified in SEBI LODR and the provisions of Companies Act, 2013 and are independent of the management.

The details of familiarisation programme for the Independent Directors are disclosed in the website of the Company at the link: http://ranegroup.com/rbl_investors/familiarisation-programme-for-independent-directors.

Skills, Expertise and Competence of the Board

The Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and Committees. The Board ensures and maintains highest standards of corporate governance.

The skills, expertise and competencies identified by the Board in the context of the automotive business in which the Company operates for it to function effectively inter-alia are as follows:

- **Industry and Technology:** Possessing industrial, technical and operational expertise and experience in automotive, ancillary and emerging technologies and associations with industrial bodies and professional network.
- **Business Development:** Experience in driving business success across various geographies, diverse business environment,

economic conditions cultures and global market opportunities.

- **Allied Disciplines:** Expertise or leadership experience in allied disciplines like finance, law, management, sales, marketing, administration, research, corporate governance, technical operations, human resource.
- **Governance:** Having insight into maintaining effective Board and management relationship, protecting stakeholders interest and observing appropriate governance practices.

Certificate from a Company Secretary in practice that none of the Director(s) on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director(s) of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority is provided as annexure (i) to this report.

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board conforms to the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI LODR. The Committee met four (4) times during the year April 13, 2018; July 24, 2018; October 23, 2018 and January 28, 2019. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings attended
Mr. S Sandilya	Chairman, Non-Executive & Independent	4
Mr. L Ganesh	Member, Non-Executive, Promoter	4
Mr. Suresh Chandra Gupta	Member, Non-Executive & Independent	4
Mr. P S Kumar *	Member, Non-Executive & Independent	4
Mr Anil Kumar V Epur #	Member, Non-Executive & Independent	NA

* Ceased to be a member upon retirement as a Director effective conclusion of meeting of Board of Directors held on May 22, 2019.

Inducted as a member of the Committee effective conclusion of meeting of Board of Directors held on May 22, 2019.

All the members of the Audit Committee are financially literate and possess accounting and related financial management expertise. The Company Secretary acts as the Secretary to the Committee.

The Statutory Auditors and the Internal Auditors were present as invitees in all the meetings. The Managing Director, President and Senior Vice President - Finance & Chief Financial Officer (CFO) of the Company attended the meetings by invitation. Based on the requirement, other Directors attended the meetings by invitation. All the recommendations of the Audit Committee during the year, were considered, accepted and approved by the Board.

The Chairman of the Audit Committee was present at the last AGM of the Company held on July 24, 2018.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (Board) in reviewing the financial information which is disseminated to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

The terms of reference of the Audit Committee are as per the provisions of the SEBI LODR read with Section 177 of the Companies Act, 2013 (Act) and other applicable provisions of SEBI LODR and Act, as amended from time to time. In line with these provisions, the Company framed an Audit Committee Charter, which is subject to review by the Audit Committee.

During the year, the Board of Directors amended the terms of reference of the Committee in line with the newly introduced provisions in SEBI LODR, effective April 1, 2019 and the roles of the Audit Committee inter-alia, includes, review of:

- Quarterly / Annual financial statements with statutory auditors and management before submission to the Board.
- Internal control systems, findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Internal audit function, internal audit reports relating to internal control weaknesses and functioning of whistle blower mechanism.
- Evaluation of internal financial controls and risk management systems

- Management discussion and analysis of financial condition, results of operation, financial and risk management policies of the Company.
- Defaults, if any, in payments to depositors, shareholders / creditors and the status of the inter-corporate loans and investments for scrutiny in detail.
- Approve related party transactions, including any subsequent modifications thereto
- Compliance with listing and other legal requirements relating to financial statements
- Changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgement by management and significant adjustments made in the financial statements arising out of the audit findings.
- Valuation of undertakings or assets of the Company, as and when required
- Financial statements, in particular, the investments made by any unlisted subsidiary of the Company
- Utilization of loans and / or advances from / investment by the Company to its subsidiary exceeding ₹100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments existing as on April 1, 2019

As per the charter and the terms of reference, the Audit Committee also:

- Recommends appointment of Auditors and their remuneration and approves the appointment of CFO
- Discusses the scope of audit and post-audit area of concern and qualifications, if any, with Statutory Auditors / Internal Auditors.

The Audit Committee reviews the quarterly unaudited / annual audited financial results of the Company. The unaudited results are subjected to limited review by the statutory auditors of the Company. The statutory auditors are eligible to issue limited review report as the audit firm has been subjected to peer review

process of Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the Peer Review Board of ICAI. The Audit Committee approves payments to statutory auditors for audit and non-audit services.

In accordance with the provisions of Companies Act, 2013, rules made thereunder and provisions of listing agreement / SEBI LODR, the Audit Committee accords prior approval for all Related party transactions (RPTs), including any modifications thereto, as per the policy on Related Party Transactions. The Audit Committee annually grants omnibus approvals for transactions that are routine or repetitive in nature and which are proposed to be undertaken / entered in the ordinary course of business at arm's length basis. While according omnibus approvals, the Audit Committee takes into consideration the following factors viz., maximum value of the transactions, including value per transaction, extent and manner of disclosures made to the Audit Committee. On a quarterly basis the Audit Committee reviews related party transactions entered into by the Company pursuant to each of the omnibus approval.

The Audit Committee reviews all mandatory information under Part C of Schedule II pursuant to Regulation 18 of SEBI LODR, including review of internal auditor observations, statutory compliance.

4. Nomination and Remuneration Committee

Composition, Attendance and Meetings

The Nomination and Remuneration Committee (NRC) of the Board in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met four (4) times during the year April 13, 2018; July 24, 2018; October 23, 2018 and March 18, 2019. The details of members and their attendance are as below:

Name of the Director	Category	No. of meetings attended
Mr. S Sandilya	Chairman, Non – Executive & Independent	4
Mr. L Ganesh	Member, Non – Executive, Promoter	4
Mr. Suresh Chandra Gupta	Member, Non – Executive & Independent	4
Mr. P S Kumar*	Member, Non – Executive & Independent	4

* Ceased to be a member upon retirement as a Director effective conclusion of meeting of Board of Directors held on May 22, 2019.

During the year, the Board of Directors aligned the terms of reference of the Committee with the newly introduced provisions in SEBI LODR, effective April 1, 2019.

Terms of Reference:

- To formulate criteria for determining qualifications, positive attributes and independence of Director for evaluation of performance of Independent Directors and the Board.
- To approve the remuneration policy of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP).
- To devise policy on Board diversity.
- To provide guidance to the Board on matters relating to appointment of Directors, Independent Directors, KMP and SMP, i.e., the core management team one level below the CEO / Managing Director.
- To evaluate performance, recommend and review remuneration of the Executive Directors based on their performance.
- To recommend to the Board, the extension / continuation of term of appointment of Independent Directors based on report of performance evaluation.
- To consider and recommend professional indemnity and liability insurance for Directors, KMP and SMP.
- To recommend to the Board, all remuneration, in whatever form, payable to senior management

During the year, the NRC inter alia,

- reviewed the process for evaluation of the Board, its Committee & Directors and the compensation benefits of Senior Management Personnel (SMP) and Key Managerial Personnel (KMP) of the Company.
- considered and recommended to the Board :
 - (a) Appointment of Mr Yasuji Ishii as a Nominee Director effective April 13, 2018,
 - (b) Re-appointment of Ms Ranjana Kumar as an Independent Director for a second term of three consecutive years upto July 23, 2021 or upto conclusion of 16th AGM, whichever is earlier
 - (c) Payment of commission to Mr L Ganesh, Chairman.

- (d) Re-appointment of Mr Vinay Lakshman as Managing Director; and
- (e) Appointment of Mr R Balakrishnan as President effective October 1, 2018
- (f) Appointment of Mr Krishna Kumar Seshadri, as an Additional Director in the category of Independent Director, effective from the Board of Directors meeting on May 22, 2019.

NRC had also recommended payment of commission not exceeding 2% of net profits to Mr. L Ganesh, Chairman for the financial year 2017-18 and also recommended to the shareholders at 13th AGM held on July 24, 2018, for payment of commission not exceeding 2% of net profits to Mr. L Ganesh commencing from period April 1, 2018 and March 31, 2021.

Pursuant to approval accorded by the shareholders at the said 13th AGM held on July 24, 2018, Mr. L Ganesh is entitled to receive a commission not exceeding 2% of the net profits of the Company for a period commencing from April 1, 2018 till March 31, 2021.

In addition to the approval already accorded by way of a special resolution in terms of Section 197 of the Companies Act, 2013 and the Rules made thereunder, pursuant to the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (SEBI LODR), effective from April 1, 2019, the Board has recommended to the shareholders for approval of payment of commission to Mr. L Ganesh for the year 2018-19.

Remuneration Policy

The policy on appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available on the website of the Company www.ranegroup.com. This policy is designed to attract, motivate, and retain talented employees who drive the Company's success and aims at aligning compensation to goals of the Company, performance of the individual, internal equity, market trends and industry practices, legal requirements and appropriate governance standards.

Sitting Fees

The Company has paid sitting fees to all Directors, apart from reimbursement of their actual travel and out-of-pocket expenses for attending the meetings of the Board / Committee. The Company has not paid any other remuneration to Directors.

The sitting fees payable per meeting of Board and its Committees are as hereunder:

Type of Meeting	Sitting fees per meeting (₹)
Board	40,000
Audit Committee	35,000
Nomination & Remuneration Committee	10,000
Corporate Social Responsibility Committee	5,000
Stakeholders Relationship Committee	5,000
Finance Committee	2,500

Details of Remuneration paid to Directors

The details of remuneration including sitting fees paid to the Directors and their shareholding for the year ended March 31, 2019 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2019 [@]
Mr. L Ganesh	4,00,000	1,00,00,000	100
Mr. Vinay Lakshman	-	2,90,58,797*	50
Mr. L Lakshman	1,65,000	-	100
Mr. Harish Lakshman	2,15,000	-	100
Mr. S Sandilya	3,80,000	-	-
Mr. Suresh Chandra Gupta	3,85,000	-	-
Mr. Anil Kumar V Epur	2,15,000	-	-
Ms. Ranjana Kumar	1,60,000	-	-
Mr. Yasuji Ishii #	1,20,000	-	-
Mr. P S Kumar	3,80,000	-	-
Total	24,20,000	3,90,58,797	350

remitted to Nisshinbo Holdings Inc. Japan.

@ includes joint holdings & HUF, if any

*Refer Note 3

Note:

- No other remuneration was paid to Non-Executive Directors (other than Chairman) except sitting fees.

2. Commission to Mr. L Ganesh, Chairman for the year 2018-19 is payable pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 13th Annual General Meeting held on July 24, 2018 and subject to additional approval under newly introduced provisions of Reg.17(6) (ca) of SEBI explained in previous paragraphs of this report.
3. Remuneration paid to Mr. Vinay Lakshman, Managing Director is based on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors at their meeting(s) held on April 13, 2018 and also based on shareholder's approval at the 13th AGM held on July 24, 2018. The remuneration paid comprises of salaries & allowances - ₹1,62,15,157/- perquisites - ₹28,43,640/- Company's contribution to provident fund and gratuity fund - ₹8,71,116/- and commission & performance linked incentive payable - ₹1,00,00,000/-
4. No shares of the Company were pledged by the Directors and there is no stock option scheme prevailing in the Company.
5. The Managing Director does not receive any remuneration from the holding company.

5. Stakeholder's Relationship Committee

Composition & Attendance of Meetings

The Stakeholder's Relationship Committee periodically looks into grievances of shareholders and redress them expeditiously in accordance with Section 178 of the Companies Act, 2013 and as per the requirements under Regulation 20 of SEBI LODR.

During the year under review, the Board of Directors have adopted a Stakeholder Relationship Committee charter in line with the newly introduced provisions of SEBI LODR effective April 1, 2019, in terms which the role of SRC inter-alia are as under:

- To resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.
- To review measures taken for effective exercise of voting rights by shareholders.

- To review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- To review of various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Company Secretary is the compliance officer of the Company. During the year, the Committee met three (3) times during the year April 13, 2018; October 23, 2018 and January 28, 2019. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. Harish Lakshman	Chairman, Non - Executive & Promoter	3
Mr. L Ganesh	Member, Non - Executive & Promoter	3
Mr. Anil Kumar V Epur	Member, Non - Executive & Independent	3

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

	Nature of Complaint	Received during the year	Resolved during the year	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	Query relating to Transmission	1	1	-
	Non-receipt of AGM attendance slip and proxy form	3	3	-
Through Registrar & Transfer Agent	Non-receipt of share certificate	1	1	-
	Non-receipt of dividend	1	1	-

	Nature of Complaint	Received during the year	Resolved during the year	Pending at the end of the year
Directly to Company	Non-receipt of dividend	3	3	-
	Query relating to claim of shares from IEPF Authority	1	1	-

The Chairman of the SRC was present at the last AGM of the Company held on July 24, 2018 to answer queries of the security holders.

6. Corporate Social Responsibility (CSR) Committee

Education, Healthcare, Community Development and Environment are the Four focus areas under Corporate Social Responsibility (CSR) as per the CSR activities of the Company.

The CSR projects and activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee which are in accordance with the areas or subjects specified under the Companies Act, 2013, as amended from time to time.

The Committee met once during the year on April 13, 2018. The details of members and their attendance are stated below:

Name of the Director	Category	No. of meetings attended
Mr. L Lakshman	Chairman, Non- Executive & Promoter	1
Mr. L Ganesh	Member, Non- Executive & Promoter	1
Mr. Suresh Chandra Gupta	Member, Non- Executive & Independent	1

The Company Secretary acts as the Secretary to the Committee. The Committee approves the annual CSR report, recommends the annual CSR expenditure budget and CSR activities undertaken for the financial year to the Board.

The terms of reference of the Committee are as follows

1. Formulate and recommend CSR Policy, for approval of the Board

2. Approve projects that are in line with the CSR policy
3. Have monitoring mechanisms in place to track the progress of each project
4. Recommend the CSR expenditure to the Board of the Company for approval
5. Review new proposals and existing projects' status

The report on CSR projects undertaken during the year 2018-19 as approved by the CSR Committee in consultation with the Board is annexed to Director's Report as 'Annexure C'.

7. Other Committees

Share Transfer Committee

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / re-materialization, split / consolidation, issue of duplicate share certificates etc. to a Committee comprising of such senior officials designated from time to time. The Committee meets on a case to case basis to approve share transfers and transmissions and the details of such transfer / transmission of securities are placed to the Board. No sitting fees is payable to the Committee members.

SEBI vide its notification dated November 30, 2018, amended the provisions of regulation 40 of SEBI LODR, to prohibit transfer of shares in physical form effective April 1, 2019.

The Company has taken initiatives to reach out to investors holding shares in physical form and in terms of this circular effective April 1, 2019, the Company has not been processing transfer of securities in physical form except in cases of transmission (i.e. transfer of title of shares by way of inheritance / succession) and transposition (i.e. re arrangement / interchanging of the order of name of shareholders).

Finance Committee

In order to exercise the borrowing powers delegated by the Board, a Finance Committee comprising of three Non-Executive Directors and one Executive Director who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman, Mr. L Lakshman and Mr. Vinay Lakshman has been constituted.

The Finance Committee is empowered to approve the financial facilities in connection with the capital expenditures and working capital expenditures of the Company, as per the Annual Operating Plans approved by the Board. During the year no meeting was held.

Executive Committee

In order to carry out activities in connection with change in operation of bank accounts and authorization of officials under various legislations and other administrative matters between two consecutive meetings of the Board, an Executive Committee two Non-Executive Directors and one Executive Director who are also part of the Promoters viz., Mr. L Ganesh, Mr. Harish Lakshman, Mr. L Lakshman and Mr Vinay Lakshman, has been constituted.

During the year one meeting was held on January 04, 2019 to approve matters relating authorizations in connection with lease arrangements and all members of the Committee attended the meeting.

8. Code of conduct

The Board of Directors has laid down a code of conduct, i.e. "Ethical Standards of Behaviour – RANE COMPASS" for all Board members and employees of

the Company in furtherance of its emphasis towards good Corporate Governance practices. The same has been posted on the website of the Company viz., http://ranegroup.com/rbl_investors/code-of-fair-disclosure/. The Board members and Senior Management Personnel have affirmed their compliance with the code of conduct. Declaration from the Chief Executive Officer of the Company to this effect forms part of this report as annexure (ii).

Prevention of Insider Trading

The Board of Directors have formulated "Rane Code to regulate, monitor and report trading by insiders" and "Rane Code of practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, to prevent misuse of any unpublished price sensitive information and prohibit insider trading activity. The code of fair disclosure practices and procedures for unpublished price sensitive information is available at http://ranegroup.com/rbl_investors/code-of-fair-disclosure.

9. General Body Meetings

Details of last three Annual General Meetings (AGMs) are as under:

Date of AGM	Special resolutions passed	Time	Venue
July 24, 2018 (Thirteenth AGM)	1. Re-appointment of Ms. Ranjana Kumar (DIN: 02930881) as an Independent Director for a second term. 2. Re-appointment of Mr Vinay Lakshman (DIN: 07295820) as Managing Director and fix his remuneration thereof.	10:30 hrs	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai - 600 014
August 23, 2017 (Twelfth AGM)	1. Re-appointment of Mr. S Sandilya as an Independent Director for a second term 2. Re-appointment of Mr. S C Gupta as an Independent Director for a second term 3. Re-appointment of Mr. Anil Kumar V Epur as an Independent Director for a second term	10.15 hrs	
July 21, 2016 (Eleventh AGM)	Appointment of Mr. Vinay Lakshman as Managing Director	10.15 hrs	

No Extra-Ordinary General Meeting (EGM) was held during the year.

10. Disclosures

- During the year, the Company had not entered into any transaction of material nature with any of the promoters, Directors, management or relatives etc. The transactions entered with related parties during the year were in the ordinary course at arms' length and not in conflict with the interest of the Company. All routine and periodic transactions

with related parties were covered in the omnibus approval of the Audit Committee. The details of the related party transactions as per Ind AS are stated in note no. 33 of the financial statements. The policy on related party transaction is available on the website of the Company viz. URL: http://ranegroup.com/rbl_investors/policy-on-related-party-transactions.

2. There was no instance of non-compliance by the Company on any matters relating to the capital markets; nor was there any penalty / strictures imposed by the stock exchanges or SEBI or any other statutory authority on such matters during the last three years.
3. There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the Company.
4. The Company has in place a mechanism to inform the Board members about the Risk assessment and mitigation plans and periodical reviews to ensure that the critical risks are controlled by the executive management.
5. The Company has complied with all the mandatory requirements prescribed under Chapter IV of the SEBI LODR, as explained hereunder:
 - i. Maintains an office for Mr. L Ganesh (Non-Executive) at the registered office of the Company and allows re-imbursement of expenses incurred in performance of his duties.
 - ii. Disseminating to the stakeholder's financial performance and summary of significant events through earnings' / conference calls with investors on quarterly basis.
 - iii. Adopts best practices to ensure a regime of financial results / statement of unmodified audit opinion
 - iv. Separated the office of the Chairman and Managing Director
 - v. Internal Auditors directly report to the Audit Committee
6. In order to comply with all laws governing the operations and conduct of affairs of the Company in accordance with the highest ethical and legal standards, the Company has adopted a Statutory Compliance Kit (STACK). STACK is a structured process providing comprehensive reference framework to facilitate education to dealing personnel, execution, escalation and regular reviews to strengthen compliance management. The STACK is electronically integrated through an online platform (e-STACK) to improve the compliance management system and its efficiency. The master lists of statutory requirements are effectively complied through practice of Daily Routine Management (DRM) and Vital Activity Monitoring (VAM) charts. Reports relating to the compliance with various laws applicable to the Company are regularly reviewed and the vital issues are presented to the Audit Committee and the Board.
7. The Company does not have any material listed / unlisted subsidiary Companies as defined under SEBI LODR.
8. The Independent Directors have confirmed and declared that they meet the criteria of 'Independence' as stipulated under Section 149 of the Companies Act, 2013 and Regulation 16 read with Regulation 25 and other provisions of the Act and SEBI LODR, as amended from time to time and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his / her ability to discharge duties with an objective independent judgment and without any external influence.
9. In terms of regulation 28 of SEBI LODR the Company has in place policy for Directors and Officers insurance ('D & O insurance') covering all the Independent Directors, of such quantum and for such risks which commensurate to the operations of the Company and in line with the industry standards.
10. The Managing Director and CFO of the Company have certified to the Board on the integrity of the financial statements, effectiveness of internal controls and significant changes in internal control / accounting policies during the year as required under Regulation 17(8) of the SEBI LODR and Companies Act, 2013.
11. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.
12. The Board has accepted / considered all the recommendation(s) made by Committee(s) of the Board which are mandatorily required to accept / consider, in the relevant financial year under review.

13. The total fees for all services paid by the listed entity, to the Statutory Auditor (including all entities in the network firm / network entity) is given as under:

(₹ in Crores)

Particulars	FY 18-19	FY 17-18
Varma & Varma, Chartered Accountants	0.19	0.17
Net Work entities and firms	-	-
Total	0.19	0.17

11. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not have any exposure hedged through Commodity derivatives. The Company has well defined forex exposure guidelines approved by the Board of Directors and forex exposures are suitably hedged through plain vanilla forward covers.

12. Whistle blower mechanism

The Company has a whistle blower policy, which provides the vigil mechanism for reporting with reliable information on any improper or unethical practices or actions which are violative (actual or potential) of the code of the Company by any employee or others dealing with the Company. During the year under review, the working of the policy was reviewed and approval of the Board was secured to amend certain provisions to strengthen and align the internal mechanism for dealing with any reliable information under this policy. It also addresses the protection to whistle blower who makes

protected disclosures under the policy and provides for direct access to the Chairman of the Audit Committee.

The policy and the mechanism for reporting has been appropriately communicated across all locations of the Company. During the year under review the Board of Directors amended certain provisions to strengthen the policy on procedural matters especially those governing the anonymous disclosures, Committees, ombudsperson and timelines for detailed enquiry. The whistle blower policy has also been posted in the Company's website http://ranegroup.com/rbl_investors/whistle-blower-policy/

No person has been denied access to the ombudsperson / Audit Committee.

13. Means of communication

The quarterly / annual financial results were published in "Business Standard" (English) and "Dinamani" (Tamil). The financial results and the shareholding pattern were uploaded in the websites of the stock exchanges and the Company viz. <http://ranegroup.com/>. During the year, presentations were made to analysts / institutional investors and was published in the website of the Company.

During last year, the shareholders of the Company whose e-mail addresses were registered with the Company / Depository Participants (DPs) were provided with a link to the annual report of the Company via e-mail and those who opted to receive the documents in physical mode were provided with a physical copy.

14. General Shareholder Information

- i. Information about Directors seeking appointment / re-appointment in this ensuing fourteenth 14th Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR and Secretarial Standard on General Meetings (SS-2)

Name of the Director	Mr. Harish Lakshman	Mr. Krishna Kumar Seshadri
Father's Name	Mr. L Lakshman	Mr. Seshadri Pudugramam Krishnaiyer
Director Identification Number (DIN)	00012602	00062582
Age (in years)	45	73
Date of Birth	February 12, 1974	May 10, 1946
Educational Qualifications	B.E. – BITS Pilani, MSM - Purdue University, USA	Master of Engineering, Indian Institute of Science, Bangalore, Diploma in Business Management, IIM, Ahmedabad
Experience	Mr. Harish Lakshman over 24 years of industrial experience and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for Rane Group. In addition to serving as Vice - Chairman of Rane Engine Valve Limited and Rane Holdings Limited.	Mr. Krishna Kumar Seshadri over 43 years of industrial experience in the management of auto ancillary companies. He is presently an independent consultant and an executive coach accredited to Business Coaching Foundation of India. He also serves on the Board of Rane Engine Valve Limited.
Date of first appointment on the Board	July 22, 2008	Being appointed in the 1 st term as an Independent Director under Companies Act 2013, w.e.f. May 22, 2019
Terms and Conditions of appointment	Re-appointed as a Non-Executive Director, liable to retire by rotation.	Appointment as an Independent Director.
Last drawn remuneration	Sitting fee for FY 2018-19 - ₹ 2,15,000/-	Not applicable
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committee(s) of which he is a member.
Relationship with other Directors / Manager / KMP	Son of Mr. L Lakshman and brother of Mr. Vinay Lakshman	-

Name of the Director	Mr. Harish Lakshman	Mr. Krishna Kumar Seshadri
Other Directorships	Chairman 1. Rane t4u Private Limited Vice Chairman 1. Rane Holdings Limited 2. Rane Engine Valve Limited 3. Rane (Madras) Limited Managing Director Rane TRW Steering Systems Private Limited Director 1. Oriental Hotels Limited (Independent Director) 2. Rane NSK Steering Systems Private Limited 3. Young Presidents Organisation (Chennai Chapter) 4. Savithur Enterprises Private Limited 5. HL Hill Station Properties Private Limited 6. Rane Holdings America Inc.USA 7. Rane Precision Die Casting Inc.USA	Director Rane Engine Valve Limited
Committee Memberships in other Boards	Chairman – Stakeholders' Relationship Rane Holdings Limited Member – Stakeholders' Relationship Rane (Madras) Limited Member – Nomination and Remuneration Rane Holdings Limited	Member – Audit Committee Rane Engine Valve Limited Member – Corporate Social Responsibility Committee Rane Engine Valve Limited
Number of meetings of the Board attended during the year	Five (5)	-
Number of equity shares held (including joint holding, if any)	Hundred (100)	-

ii. Annual General Meeting

July 25, 2019 (Thursday) at 10.15 hrs
 The Music Academy (Mini Hall)
 New No.168, TTK Road
 Royapettah, Chennai - 600 014

**iii. Financial Year: April 01, 2018 - March 31, 2019
Financial Calendar:**

Board meeting for approval of	Tentative Date
Audited Annual financial results and financial statements for the year ended March 31, 2019	May 22, 2019
Un-audited financial results* for the 1 st quarter ending June 30, 2019	By fourth week of July 2019
Un-audited financial results* for the 2 nd quarter ending September 30, 2019	By fourth week of October 2019
Un-audited financial results* for the 3 rd quarter ending December 31, 2019	By last week of January 2020

iv. Dividend:

During the year 2018-19, the Board of Directors declared an interim dividend of 65% (i.e., ₹6.50 per share) on the share capital on January 28, 2019. The interim dividend was paid on February 15, 2019 to all the eligible shareholders whose name appeared in the register of members of the Company as on February 07, 2019 (being the Record Date) fixed for this purpose.

The Board of Directors of the Company at their meeting held on May 22, 2019 have considered and recommended a final dividend of 90% (₹9/- per share) on the equity share capital for approval of the shareholders at the ensuing 14th AGM to be held on July 25, 2019. The final dividend, if declared, would be paid for those eligible shareholders whose name appeared in the register of members of the Company as on July 18, 2019 (being the Record Date) fixed for this purpose.

v. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RBL
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532987

Listing Fee:

The shares of the Company are listed on NSE & BSE which provide nationwide access to trade and deal in Company's equity shares across the country. The Company has duly paid the Annual Listing fee for the financial year 2019 - 20 to NSE & BSE where the shares of the Company continue to be listed.

vi. Unpaid / Unclaimed Dividends

Pursuant to the provisions of Section 124 of the Companies Act, 2013, dividend for the financial year ended March 31, 2012 and thereafter which remain unclaimed for a period of seven years, will be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government.

During the year, the Company had transferred to IEPF unclaimed final dividend of ₹ 69,276/- for the financial year ended March 31, 2011 and interim dividend amount of ₹ 1,32,836/- for the financial year ended March 31, 2012. The Company has sent reminder letters to each of the shareholder's whose dividend is remaining unclaimed as per the records available with the Company. Information in respect of such unclaimed dividends when due for transfer to the said fund is given below:

Year	Date of declaration	Dividend per share [#] (₹)	Amount outstanding in Unclaimed Dividend Account (as on 31.03.2019) ^ (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2012	13.07.2012	3.00	1,19,208.00	18.08.2019	17.09.2019
31.03.2013*	22.01.2013	2.00	77,872.00	27.02.2020	28.03.2020
31.03.2013	24.07.2013	2.00	80,836.00	29.08.2020	28.09.2020
31.03.2014	22.07.2014	7.50	2,99,197.50	27.08.2021	26.09.2021
31.03.2015	20.07.2015	7.00	2,67,330.00	26.08.2022	25.09.2022
31.03.2016*	10.03.2016	10.00	3,79,330.00	16.04.2023	16.05.2023
31.03.2017*	20.01.2017	6.00	2,92,332.00	26.02.2024	27.03.2024
31.03.2017	23.08.2017	9.00	3,77,973.00	28.09.2024	28.10.2024
31.03.2018*	29.01.2018	6.50	1,93,290.50	06.03.2025	04.04.2025
31.03.2018	24.07.2018	9.00	2,35,845.00	30.08.2025	29.09.2025
31.03.2019	18.01.2019	6.50	295,893.00 [@]	05.03.2026	04.04.2026

Share of paid-up value of ₹10 per share

* Interim dividend

^ Amounts reflect the confirmation of balance issued by bank(s)

@ Based on bank reconciliation

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on July 24, 2018 in accordance with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. The above details were also uploaded on the website of the Company viz. <http://ranegroup.com>.

vii. Transfer of shares to IEPF Authority - DEMAT Account

Pursuant to provisions of Section 124 and Section 125 of the Companies Act, 2013 read with Investor

Education and Protection Fund Authority (Accounting, Audit, Transfer and Refunds) Rules, 2016, as amended from time to time, ("the Rules" / "IEPF Rules") the Company is required to transfer the equity shares in respect of which dividends are not claimed for the last 7 years by any shareholder to the IEPF Authority.

The Ministry of Corporate Affairs has notified DP Accounts to which such unclaimed shares are required to be transferred. During the year under review the Company had transferred such unclaimed shares to MCA IEPF Authority as per the table hereunder:

Year from which dividend has remained unclaimed / unpaid for seven consecutive years	No. of shares
2010 – 11 (Final)	518
2011 – 12 (Interim)	281

The shareholders however, may claim the said shares along with corporate actions accrued by following the procedure available on the website www.iepf.gov.in and sending a physical copy of the same duly signed, to the nodal officer along with the documents enumerated in the Form No. IEPF-5. No claim shall lie against the Company in respect of any dividend or shares transferred to the IEPF Authority.

The shares relating to unclaimed dividend for FY 2011 - 12 (Final) and FY 2012 - 13 (Interim) are liable to be transferred to IEPF Authority during the FY 2019 - 20. An intimation in this regard shall be sent to all concerned shareholders, whose shares are liable to be transferred to IEPF Authority, at their latest known addresses. In accordance with the said rules, the Company shall also publish notices in newspapers and requisite details would be made available on the Investors section of the Company's website: <http://ranegroup.com/>. The concerned shareholders are requested to claim their shares before the due dates of transfer of shares to the IEPF, specified therein newspapers and Company website

viii. Unclaimed share suspense

In accordance with Regulation 39 of SEBI LODR, the Company has previously sent three reminders to the shareholders for getting their confirmation on unclaimed shares.

Details of Unclaimed Suspense account	Number of shareholders	Outstanding shares
Aggregate at the beginning of the year	31	3,372
Requests for transfer during the year	7	599
Transfers during the year	7	599
Balance at the end of the year	24	2,773

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

ix. Share Price Data:

The equity shares of the Company are listed and admitted to dealings on two nation wide stock exchanges viz. National Stock Exchange of India Ltd. and BSE Ltd., The share price data as quoted on the NSE and BSE along with the movement in the respective stock index during the last financial year viz., April 1, 2018 – March 31, 2019 is given below:

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)				Share Prices (₹)			
	High	Low	High	Low	High	Low	High	Low
April 2018	1,195.00	875.00	35,213.30	32,972.56	1200.00	855.00	10,759.00	10,111.30
May 2018	974.20	840.00	35,993.53	34,302.89	993.50	842.50	10,929.20	10,417.80
June 2018	934.00	780.00	35,877.41	34,784.68	922.00	812.00	10,893.25	10,550.90
July 2018	866.00	760.60	37,644.59	35,106.57	914.80	761.00	11,366.00	10,604.65
August 2018	855.00	708.15	38,989.65	37,128.99	855.00	721.00	11,760.20	11,234.95
September 2018	815.00	547.05	38,934.35	35,985.63	815.00	531.10	11,751.80	10,850.30
October 2018	629.75	483.00	36,616.64	33,291.58	639.00	500.75	11,035.65	10,004.55
November 2018	617.00	502.35	36,389.22	34,303.38	578.05	520.05	10,922.45	10,341.90
December 2018	608.25	512.10	36,554.99	34,426.29	605.00	504.95	10,985.15	10,333.85
January 2019	597.40	509.10	36,701.03	35,375.51	592.00	508.00	10,987.45	10,583.65
February 2019	576.00	509.80	37,172.18	35,287.16	580.00	506.70	11,118.10	10,585.65
March 2019	648.35	531.10	38,748.54	35,926.94	650.60	530.00	11,630.35	10,817.00

Source: www.bseindia.com & www.nseindia.com

x. Registrar and Transfer Agent

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

Integrated Registry Management Services Private Limited

SEBI Registration No. INR000000544

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

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

e-mail ID: corpserve@integratedindia.in

Name of the contact person: Mr. K. Suresh Babu,
Director

xi. Share Transfer System & Share Capital Audit

The power to approve transfer of shares has been delegated by the Board to the Share Transfer Committee which approves the share transfers and de-mat / re-mat requests in coordination with the RTA. Share transfers and transmissions are approved and registered within fifteen days from date of receipt of valid request. On a half-yearly basis, the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of Regulation 40(10) of SEBI (LODR) with the stock exchanges and a certificate to this effect is filed with the stock exchanges.

A reconciliation of share capital audit in terms of regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 is taken up on a quarterly basis and the report of the PCS is filed with the stock exchanges certifying that the total listed capital of the Company is in agreement with the total number of shares in physical and dematerialized form and that there is no difference between the issued and the listed capital of the Company.

xii. Distribution of shareholding as on March 31, 2019

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	13,213	96.86	6,94,633	8.78
501 – 1000	218	1.60	1,63,325	2.06
1001 – 2000	90	0.66	1,33,067	1.68
2001 – 3000	37	0.27	93,061	1.18
3001 – 4000	17	0.12	61,821	0.78
4001 – 5000	15	0.11	68,456	0.86
5001 – 10000	26	0.19	1,90,764	2.41
10001 & above	25	0.18	65,09,853	82.25
Total	13,641	100.00	79,14,980	100.00

xiii. Shares**Dematerialization**

The Company has entered into the necessary agreements with National Securities Depository Limited and Central Depositories Services (India) Limited for dematerialisation of the shares held by investors.

As of March 31, 2019 about 98.61% of the shareholdings have been dematerialised. Comparative chart of physical and demat holdings for the current and previous financial year is given below:

Particulars	Number of shares		% to total capital	
	As on March 31, 2019	As on March 31, 2018	As on March 31, 2019	As on March 31, 2018
Physical	1,10,300	1,46,308	1.39	1.85
Demat	78,04,680	77,68,672	98.61	98.15
Total	79,14,980	79,14,980	100.00	100.00

The promoter and promoter group hold their entire shareholding only in dematerialised form. Reconciliation of share capital audited by practicing company secretary is furnished every quarter to the stock exchanges, where the shares of the Company are listed.

The Company is taking initiatives to reach out to investors holding shares in physical form, to dematerialize their shareholding immediately to avoid any inconvenience and avail numerous benefits of dematerialisation, which include easy liquidity / trading.

Demat ISIN: **INE244J01017**

The Company has not issued any equity share with differential voting rights nor granted stock options nor sweat equity.

xiv. Plant locations - Refer corporate overview section of the annual report**xv. Credit Rating**

The details of credit ratings assigned to the debt instruments and total bank loan facilities of the Company during the year ended March 31, 2019 are as follows:

Rating Agency	Amount ₹(in Crores)	Security - Type	Rating
	112.82	Long term	AA-
ICRA Limited	52.50	Short term	A1+
	30.00	Commercial Paper	A1+

xvi. Address for communication:

The Compliance officer
Rane Brake Lining Limited
Rane Corporate Centre,
“Maithri”, No. 132, Cathedral Road,
Chennai - 600 086
Phone : 28112472/73, Fax: 28112449
e-mail ID: investorservices@ranegroup.com

OR

Mr. K Suresh Babu, Director
Integrated Registry Management Services Private Limited
II Floor, ‘Kences Towers’
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai - 600 017
Phone: 28140801-03, Fax: 28142479
e-mail ID: corpserv@integratedindia.in

Annexure (i)

Certificate from Company Secretary in Practice

**(In terms of Regulation 34(3) read with Schedule V Para C(10)(i) to the Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

We hereby certify that none of the Directors on the Board of Rane Brake Lining Limited (“the Company”) as on March 31, 2019, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI) or the Ministry of Corporate Affairs, Government of India (MCA).

We are issuing this certificate based on the following, which to the best of our knowledge and belief were considered necessary in this regard:

1. Our verification of the information relating to the Directors available in the official web site of MCA;
2. Our verification of the disclosures/ declarations/ confirmations provided by the Directors to the Company; and
3. Information, explanation and representations provided by the Company, its Directors/ officers/ agents.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness of the corporate governance processes followed by the Company.

For **S Krishnamurthy & Co.**
Company Secretaries

K Sriram
Partner

Membership No. F 6312
Certificate of Practice No. 2215

Chennai
May 22, 2019

Annexure (ii)

Declaration by Chief Executive Officer on Code of Conduct pursuant to Part C of Schedule V of

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, hereby declare that to the best of my knowledge and information, all the Board members and senior management personnel have affirmed compliance with ‘Ethical Standards of Behaviour – RANE COMPASS’, the code of conduct, for the year ended March 31, 2019.

Chennai
May 22, 2019

Vinay Lakshman
Managing Director
DIN: 07295820

INDEPENDENT AUDITOR'S CERTIFICATE**To****The Members****Rane Brake Lining Limited**

1. We have examined the compliance of conditions of Corporate Governance by Rane Brake Lining Limited ("the Company") for the year ended on March 31, 2019, as stipulated in the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement / Listing Regulations, as applicable.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Varma & Varma

Chartered Accountants

FRN. 004532S

P.R Prasanna Varma

Partner

M.No. 25854

Place : Chennai

Date : May 22, 2019

Annexure - F To Report of the Board of Directors**Extract of Annual Return****As on the financial year ended March 31, 2019****Form No. MGT 9**

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

I. Registration And Other Details:

CIN	:	L63011TN2004PLC054948
Registration Date	:	December 17, 2004
Name of the Company	:	Rane Brake Lining Limited
Category / Sub-Category of the Company	:	Public Company - Limited by Shares / Indian / Non-Government Company
Address of the Registered office and contact details	:	'Maithri' No.132, Cathedral Road, Chennai – 600 086 Phone: 044 – 2811 2472; Fax: 044 – 2811 2449 Website: www.ranegroup.com E-mail ID: investorservices@ranegroup.com
Whether listed company	:	Yes
Name, Address and Contact details : Registrar and Transfer Agent, if any	:	Integrated Registry Management Services Private Limited II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017, E-mail: corpseerv@integratedindia.in Phone: 044 2814 0801; Fax: 044 2814 2479 Contact person: Mr. K Suresh Babu, Director

II. Principal Business Activities Of The Company:

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1	Friction materials- Brake Lining, Disc pad, Brake shoe, Clutch facing and Clutch button	C-29-301	96.62 %

III. Particulars Of Holding, Subsidiary And Associate Companies

Sl. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Rane Holdings Limited 'Maithri', No.132, Cathedral Road, Chennai – 600086, Tamil Nadu, India	L35999TN1936PLC002202	Holding Company	46.33	2(46)

IV. Share Holding Pattern (Equity Share Capital Breakup As Percentage Of Total Equity)

i) Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter(s)									
(1) Indian									
a) Individual / HUF	450	-	450	0.01	450	-	450	0.01	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	36,48,311	-	36,48,311	46.09	36,67,181	-	36,67,181	46.33	0.24
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	36,48,761	-	36,48,761	46.10	36,67,631	-	36,67,631	46.34	0.24
(2) Foreign									
a) NRIs – Individuals	19,400	-	19,400	0.25	19,400	-	19,400	0.25	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	15,95,249	-	15,95,249	20.15	15,95,249	-	15,95,249	20.15	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	16,14,649	-	16,14,649	20.40	16,14,649	-	16,14,649	20.40	-
Total Public Shareholding (A) = (A) (1)+ (A)(2)	52,63,410	-	52,63,410	66.50	52,82,280	-	52,82,280	66.74	0.24
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	2,096	645	2,741	0.03	3,801	645	4,446	0.06	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	7,70,528	-	7,70,528	9.74	7,70,528	-	7,70,528	9.73	(0.01)
g) FIs	5,498	-	5,498	0.07	-	-	-	-	(0.07)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	7,78,122	645	7,78,767	9.84	7,74,329	645	7,74,974	9.79	(0.06)
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,67,551	1,625	1,69,176	2.14	1,03,567	1,625	1,05,192	1.33	(0.81)
ii) Overseas	-	-	-	-	-	-	-	-	-

% Rounded-off to the nearest decimal

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	10,74,710	1,02,696	11,77,406	14.87	11,65,199	67,217	12,32,416	15.57	0.70
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	3,74,934	38,668	4,13,602	5.22	3,95,736	38,668	4,34,404	5.49	0.27
c) Others (specify)									
Non Resident Indians	37,355	2,050	39,405	0.50	43,969	1,980	45,949	0.58	0.08
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	1000	-	1,000	0.01	0.01
Clearing Members	53,505	-	53,505	0.68	18,572	-	18,572	0.23	(0.45)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Rane Brake Lining Limited - Unclaimed Shares Suspense Account	3,372	-	3,372	0.04	2,773	-	2,773	0.04	(0.00)
Investor Education and Protection Fund Authority Ministry of Corporate Affairs	15,713	624	16,337	0.21	17,255	165	17,420	0.22	0.01
Sub-total (B)(2):-	17,27,140	1,45,663	18,72,803	23.66	17,48,071	1,09,655	18,57,726	23.47	(0.19)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	25,05,262	1,46,308	26,51,570	33.50	25,22,400	1,10,300	26,32,700	33.26	(0.24)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	77,68,672	1,46,308	79,14,980	100.00	78,04,680	1,10,300	79,14,980	100.00	-

% Rounded-off to the nearest decimal

ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	At the beginning of the year			At the end of the year			% of change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Rane Holdings Limited	36,48,311	46.09	-	36,67,181	46.33	-	0.24
2	Nisshinbo Holdings Inc.	15,95,249	20.15	-	15,95,249	20.15	-	-
3	Rekha Sundar	19,400	0.26	-	19,400	0.26	-	-
4	Pushpa Lakshman & L Lakshman	50	0.00	-	50	0.00	-	-
5	Vinay Lakshman	50	0.00	-	50	0.00	-	-
6	Harish Lakshman	50	0.00	-	50	0.00	-	-
7	Ganesh L & Meenakshi Ganesh	50	0.00	-	50	0.00	-	-
8	Meenakshi Ganesh & L Ganesh	50	0.00	-	50	0.00	-	-
9	L Lakshman & Pushpa Lakshman	50	0.00	-	50	0.00	-	-
10	Malavika Lakshman & Harish Lakshman	50	0.00	-	50	0.00	-	-
11	Aparna Ganesh	50	0.00	-	50	0.00	-	-
12	Aditya Ganesh	50	0.00	-	50	0.00	-	-
Total		52,63,410	66.50	-	52,82,280	66.74	-	0.24

% Rounded-off to the nearest decimal

iii) Change in Promoters' Shareholding

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	52,63,410	66.50	52,63,410	66.50
Rane Holdings Limited	36,48,311	46.09	36,48,311	46.09
Other promoters	16,15,099	20.41	16,15,099	20.41
Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.): Rane Holdings Limited – Market acquisition				
31-10-2018	5,000	0.06	36,53,311	46.16
27-11-2018	2,525	0.03	36,55,836	46.19
28-11-2018	1,353	0.02	36,57,189	46.21
29-11-2018	1,122	0.01	36,58,311	46.22
15-02-2019	1,644	0.02	36,59,955	46.24
18-02-2019	818	0.01	36,60,773	46.25
20-02-2019	541	0.01	36,61,314	46.26
21-02-2019	4,436	0.06	36,65,750	46.31
22-02-2019	1,061	0.01	36,66,811	46.33
26-02-2019	73	0.00	36,66,884	46.33
28-02-2019	210	0.00	36,67,094	46.33
01-03-2019	32	0.00	36,67,126	46.33
06-03-2019	55	0.00	36,67,181	46.33
At the end of the year	52,82,280	66.74	52,82,280	66.74

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase / Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
1	United India Insurance Company Limited	4,79,030	6.05	-	-	-	-	4,79,030	6.05
2	General Insurance Corporation of India	2,91,498	3.68	-	-	-	-	2,91,498	3.68
3	Polo Setco Tieup Pvt. Ltd.	57,400	0.73	20-04-2018	(44,867)	(0.57)	Transfer	12,533	0.16
				27-04-2018	12,600	0.16	Purchase	25,133	0.32
				04-05-2018	(176)	(0.00)	Transfer	24,957	0.32
				25-05-2018	530	0.01	Purchase	25,487	0.32
				08-06-2018	2,675	0.03	Purchase	28,162	0.36
				15-06-2018	(11,871)	(0.15)	Transfer	16,291	0.21
				06-07-2018	620	0.01	Purchase	16,911	0.21
				13-07-2018	12,976	0.16	Purchase	29,887	0.38
				20-07-2018	300	0.00	Purchase	30,187	0.38
				27-07-2018	363	0.01	Purchase	30,550	0.39
				03-08-2018	9,980	0.13	Purchase	40,530	0.51
				10-08-2018	(5,176)	(0.07)	Transfer	35,354	0.45
				17-08-2018	(6,017)	(0.08)	Transfer	29,337	0.37
				24-08-2018	(16,737)	(0.21)	Transfer	12,600	0.16
				07-09-2018	4,993	0.06	Purchase	17,593	0.22
				28-09-2018	(345)	(0.00)	Transfer	17,248	0.22
				05-10-2018	(648)	(0.01)	Transfer	16,600	0.21
				12-10-2018	(9,007)	(0.11)	Transfer	7,593	0.10
				11-01-2019	500	0.01	Purchase	8,093	0.10
4	Gautam Jain	51,014	0.65	-	-	-	-	51,014	0.65
5	M M Narayanamma	46,594	0.59	-	-	-	-	46,594	0.59
6	Ramani Narayan Swamy	35,180	0.44	-	-	-	-	35,180	0.44
7	S N Swamy	34,544	0.44	-	-	-	-	34,544	0.44
8	Om Prakash Rawat	29,850	0.38	10-08-2018	150	0.00	Purchase	30,000	0.38
9	Bachaladharani	27,807	0.35	-	-	-	-	27,807	0.35
10	Shanmugasundaram K N	27,200	0.34	-	-	-	-	27,200	0.34
11	Buntwal Nagendra Baliga	27,116	0.34	-	-	-	-	27,116	0.34
12	Saraswathi S	26,126	0.33	-	-	-	-	26,126	0.33
13	V Subha	20,383	0.26	04-05-2018	100	0.00	Purchase	20,483	0.26
				14-12-2018	(100)	(0.00)	Transfer	20,383	0.26
14	Srinivasan T M	20,300	0.26	-	-	-	-	20,300	0.26

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase / Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
15	BMA Wealth Creators Ltd.	19,957	0.25	06-04-2018	(2,240)	(0.03)	Transfer	17,717	0.22
				13-04-2018	(17,661)	(0.22)	Transfer	56	0.00
				20-04-2018	447	0.01	Purchase	503	0.01
				27-04-2018	515	0.01	Purchase	1,018	0.01
				04-05-2018	(515)	(0.01)	Transfer	503	0.01
				11-05-2018	128	0.00	Purchase	631	0.01
				18-05-2018	25	0.00	Purchase	656	0.01
				25-05-2018	(151)	(0.00)	Transfer	505	0.01
				01-06-2018	575	0.01	Purchase	1,080	0.01
				08-06-2018	619	0.01	Purchase	1,699	0.02
				15-06-2018	9,907	0.13	Purchase	11,606	0.15
				22-06-2018	68	0.00	Purchase	11,674	0.15
				29-06-2018	49	0.00	Purchase	11,723	0.15
				06-07-2018	(215)	(0.00)	Transfer	11,508	0.15
				13-07-2018	(11,426)	(0.14)	Transfer	82	0.00
				17-07-2018	(25)	(0.00)	Transfer	57	0.00
				20-07-2018	(41)	(0.00)	Transfer	16	0.00
				27-07-2018	(13)	(0.00)	Transfer	3	0.00
				03-08-2018	10	0.00	Purchase	13	0.00
				10-08-2018	(5)	(0.00)	Transfer	8	0.00
				17-08-2018	1,801	0.02	Purchase	1,809	0.02
				24-08-2018	525	0.01	Purchase	2,334	0.03
				31-08-2018	(1,867)	(0.02)	Transfer	467	0.01
				07-09-2018	8,318	0.11	Purchase	8,785	0.11
				14-09-2018	(2,010)	(0.03)	Transfer	6,775	0.09
				21-09-2018	(700)	(0.01)	Transfer	6,075	0.08
				28-09-2018	2,258	0.03	Purchase	8,333	0.11
				05-10-2018	(512)	(0.01)	Transfer	7,821	0.10
				12-10-2018	(91)	(0.00)	Transfer	7,730	0.10
				19-10-2018	(225)	(0.00)	Transfer	7,505	0.10
				26-10-2018	9	0.00	Purchase	7,514	0.10
				02-11-2018	50	0.00	Purchase	7,564	0.10
				09-11-2018	(9)	(0.00)	Transfer	7,555	0.10
				23-11-2018	7,593	0.10	Purchase	15,148	0.19
				30-11-2018	36	0.00	Purchase	15,184	0.19
				07-12-2018	(240)	(0.00)	Transfer	14,944	0.19
				21-12-2018	(7,409)	(0.09)	Transfer	7,535	0.10
				11-01-2019	(712)	(0.01)	Transfer	6,823	0.09
				25-01-2019	(150)	(0.00)	Transfer	6,673	0.08
				01-02-2019	16	0.00	Purchase	6,689	0.09
				07-02-2019	(27)	(0.00)	Transfer	6,662	0.08
				08-02-2019	(686)	(0.01)	Transfer	5,976	0.08
				15-02-2019	(309)	(0.00)	Transfer	5,667	0.07
				22-02-2019	45	0.00	Purchase	5,712	0.07
				01-03-2019	18	0.00	Purchase	5,730	0.07
				08-03-2019	(5,661)	(0.07)	Transfer	69	0.00
				15-03-2019	185	0.00	Purchase	254	0.00
				22-03-2019	13	0.00	Purchase	267	0.00
				29-03-2019	40	0.00	Purchase	307	0.00

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Date (DD/MM/YYYY)	Increase / Decrease in shareholding	% of total shares of the Company	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company					No. of shares	% of total shares of the Company
16	Gowri R	13,000	0.16	06-04-2018	(1737)	(0.02)	Transfer	11,263	0.14
				13-04-2018	(2337)	(0.03)	Transfer	8,926	0.11
				20-04-2018	7,550	0.10	Purchase	16,476	0.21
				27-04-2018	4,024	0.05	Purchase	20,500	0.26
				18-05-2018	41	0.00	Purchase	20,541	0.26
				25-05-2018	9	0.00	Purchase	20,550	0.26
				12-10-2018	(2000)	(0.03)	Transfer	18,550	0.23
				23-11-2018	(427)	(0.01)	Transfer	18,123	0.23
				14-12-2018	(1000)	(0.01)	Transfer	17,123	0.22
				04-01-2019	195	0.00	Purchase	17,318	0.22
				25-01-2019	40	0.00	Purchase	17,358	0.22
				01-02-2019	2,023	0.03	Purchase	19,381	0.25
				07-02-2019	50	0.00	Purchase	19,431	0.25
				22-02-2019	(250)	(0.00)	Transfer	19,181	0.24
17	Investor Education and Protection Fund Authority	15,713	0.20	06-04-2018	1004	0.01	Transfer	16,717	0.21
				18-05-2018	20	0.00	Transfer	16,737	0.21
				05-10-2018	518	0.01	Transfer	17,255	0.22

v) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	350	0.00	350	0.00
Pushpa Lakshman & L Lakshman	50	0.00	50	0.00
Vinay Lakshman	50	0.00	50	0.00
Ganesh L & Meenakshi Ganesh	50	0.00	50	0.00
Meenakshi Ganesh & L Ganesh	50	0.00	50	0.00
Lakshman L & Pushpa Lakshman	50	0.00	50	0.00
Malavika Lakshman & Harish Lakshman	50	0.00	50	0.00
Harish Lakshman	50	0.00	50	0.00
Date wise Increase / decrease in shareholding during the year specifying the reasons for increase / decrease: No Change (e.g. allotment / transfer / bonus / sweat equity etc.)				
At the end of the year	350	0.00	350	0.00
Pushpa Lakshman & L Lakshman	50	0.00	50	0.00
Vinay Lakshman	50	0.00	50	0.00
Ganesh L & Meenakshi Ganesh	50	0.00	50	0.00
Meenakshi Ganesh & L Ganesh	50	0.00	50	0.00
Lakshman L & Pushpa Lakshman	50	0.00	50	0.00
Malavika Lakshman & Harish Lakshman	50	0.00	50	0.00
Harish Lakshman	50	0.00	50	0.00

Note: None of the other Directors and Key Managerial Personnel holds any shares in the Company.

V. Indebtedness:**Indebtedness of the Company including interest outstanding / accrued but not due for payment** (Amount in ₹)

Particulars	Secured Loans Excluding Deposits - Long term Loan	Secured Loans Excluding Deposits - Working Capital	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)					
Change in Indebtedness during the financial year					
Addition	-	-	-	-	-
Reduction	-	-	-	-	-
Net Change	-	-	-	-	-
Indebtedness at the end of the financial year					
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	-

VI. Remuneration Of Directors And Key Managerial Personnel :**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Managing Director Vinay Lakshman
1	Gross salary	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,62,15,157
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	28,43,640
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission ~2% of profit [#]	1,00,00,000
5	Others, please specify	-
Total (A)		2,90,58,797*
Ceiling as per the Act (being 5% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		2,69,26,398

* With-in the approval of Shareholder limits.

[#] Commission payable

B. Remuneration to other Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Directors									Total Amount
		L Ganesh	L Lakshman	Harish Lakshman	PS Kumar^	S Sandilya	Suresh Chandra Gupta	Ranjana Kumar	Yasuji Ishii ^^	Anil Kumar V Epur	
1 Independent Directors											
a	Fee for attending Board / Committee meetings	-	-	-	3,80,000	3,80,000	3,85,000	1,60,000	-	2,15,000	15,20,000
b	Commission	-	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (1)		-	-	-	3,80,000	3,80,000	3,85,000	1,60,000	-	2,15,000	15,20,000
2 Other Non-Executive Directors											
a	Fee for attending Board / Committee meetings	4,00,000	1,65,000	2,15,000	-	-	-	-	1,20,000	-	9,00,000
b	Commission	1,00,00,000	-	-	-	-	-	-	-	-	1,00,00,000
c	Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (2)		1,04,00,000	1,65,000	2,15,000	-	-	-	-	1,20,000	-	1,09,00,000
Grand Total (B=1+2)		1,04,00,000	1,65,000	2,15,000	3,80,000	3,80,000	3,85,000	1,60,000	1,20,000	2,15,000	1,24,20,000
*Ceiling as per the Act		₹ 1,03,40,983/- (being 2% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)									
Total Managerial Remuneration (A+B)		₹ 4,14,78,797/-									
*Ceiling as per the Act		₹ 5,68,75,407/- (being 11% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)									

[^] ceased to be an Independent Director with effect from May 22, 2019^{^^} Appointed as a Nominee Director with effect from April 13, 2018

* ceiling as per Act does not include sitting fee payable by the Company

C. Remuneration to other Directors / key managerial personnel other than MD / MANAGER / WTD: (Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary *	Total
		M A P Sridhar Kumar	Venkatraman	
1	Gross Salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	43,88,365	13,88,733	57,77,098
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	8,83,958	-	8,83,958
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...			
5	Others, please specify	-	-	-
Total		52,72,323	13,88,733	66,61,056

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

VII. Penalties / Punishment / Compounding Of Offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

For and on behalf of the Board

L Ganesh
Chairman
DIN : 00012583

Vinay Lakshman
Managing Director
DIN : 07295820

Chennai
May 22, 2019

Independent Auditor's Report

To

The Members

Rane Brake Lining Limited

Report On The Audit Of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Rane Brake Lining Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income) Statement of Changes in Equity and Cash Flows Statement for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as Standalone Financial Statements)

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the standalone 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, 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 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 standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using

the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" 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.
 - c. The Balance Sheet, the Statement of Profit and Loss, including other comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of

the Company's internal financial controls over financial reporting

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

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

For **Varma & Varma**
Chartered Accountants
FRN004532S

P R Prasanna Varma
Partner
M No.25854

Place : Chennai
Date : May 22, 2019

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph under the heading report on "Other Legal and Regulatory Requirements" of our independent audit report of even date on the standalone financial statements of rane brake lining limited for the year ended March 31, 2019

- (i) a. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. We are informed that fixed assets have been physically verified by the Management at reasonable intervals and that no material discrepancies were noticed on such verification
- c. According to the information and explanations given to us and based on the examination of the records of the company including confirmation received from banks in respect of title deeds deposited with them, wherever applicable, and also having regard to legal opinions received in two cases, we report that the title deeds of immovable properties are held in the name of the company.
- (ii) We are informed that the physical verification of inventory has been conducted by the management at reasonable intervals and no material discrepancies were noticed on such verification
- (iii) The Company has not granted any loans, secured or unsecured, to companies/firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly reporting under Clause 3(iii) of the Order is not applicable to the company.
- (iv) According to the information and explanations given to us and based on the records of the company examined by us, the company has not made any investments, granted any loans or given any security or guarantee for which the provisions of section 185 and 186 of the Act are applicable.
- (v) The company has not accepted any deposit from the public during the year. Accordingly reporting under Clause 3(iii) of the Order is not applicable to the company.
- (vi) The Central Government has prescribed maintenance of cost records under section 148(1) of the Act in respect of certain products manufactured by the company. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. As per the information and explanations furnished to us, and according to our examination of the records of the Company, the Company has been regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable to the Company with the appropriate authorities during the year and no undisputed amounts in respect of material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us and based on the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited on account of any dispute as at March 31, 2019 are as follows:

Statute	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	0.48	April 2001 to March 2002, April 2003 to March 2004	High Court of Judicature, Madras
Income Tax Act, 1961	Income Tax	0.34	April 2004 to March 2005	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax	3.46	April 2006 to March 2008, April 2010 to March 2013, April 2014 to March 2017	Commissioner of income (Appeals), Chennai
Central Sales Tax Act, 1956	Sales Tax	0.34	April 2004 to March 2005, April 2008 to March 2012	Sales Tax Appellate Tribunal, Hyderabad

Statute	Nature of dues	Amount (₹ in Cr)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Sales Tax	0.24	April 2008 to March 2009 and April 2011 to March 2012	Puducherry Value Added Tax Appellate Tribunal, Puducherry
Central Sales Tax Act, 1956	Sales Tax	0.08	April 2010 to March 2011 and April 2013 to March 2014	The Joint Commissioner of Sales Tax (Appeal), Pune
Central Sales Tax Act, 1956	Sales Tax	1.21	April 2013 to March 2015	The Value Added Tax Officer, Ward-204, Delhi
Central Sales Tax Act, 1956	Sales Tax	0.05	April 2014 to March 2016	The Commercial Tax Officer, Special Circle-III, Jaipur
Puducherry Value Added Tax Act, 2007	Sales Tax	0.01	April 2008 to March 2009 and April 2011 to March 2012	Puducherry Value Added Tax Appellate Tribunal, Puducherry
Delhi Value Added Tax Act, 2004	Sales Tax	3.49	April 2014 to March 2015	The Value Added Tax Officer, Ward-204, Delhi
Central Excise Act, 1944	Excise Duty (including interest and penalty)	0.05	March 2009 to April 2010	Customs, Excise And Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax (including interest and penalty)	3.80	April 2006 to June 2017	Customs, Excise And Service Tax Appellate Tribunal, Chennai

(viii) In our opinion and according to the information and explanations given to us and based on the records of the Company examined by us, the Company has not defaulted in repayment of loans to banks. The Company has neither taken any loans or borrowings from any financial institution or government during the year nor has it issued any debentures.

(ix) According to the information and explanations given to us and based on the records of the Company examined by us, no monies were raised by way of initial public offer or further public offer (including debt instruments) or by way of term loans during the year. Accordingly reporting under Clause 3(ix) of the Order is not applicable to the company.

(x) During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees which has been, noticed or reported during the

year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) The Company is not a Nidhi Company. Accordingly reporting under Clause 3(xii) of the Order is not applicable to the company.

(xiii) According to the information and explanations given to us and based on the records of the Company examined by us, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details thereof have been duly disclosed in Note 33 to the standalone financial statements as required by the applicable accounting standard.

(xiv) According to the information and explanations given to us and based the records of the Company examined by us, the company has not made any preferential allotment/private placement of shares or fully or partially convertible debentures during the year under review and hence the requirements of Section 42 of the Act are not Applicable.

(xv) According to the information and explanations given to us and based the records of the Company examined by us, the company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirements under clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause 3(xvi) of the Order is not applicable.

Place : Chennai

Date : May 22, 2019

For **Varma & Varma**
Chartered Accountants

FRN004532S

P R Prasanna Varma

Partner

M No.25854

Annexure 'B' to the Independent Auditor's Report

Referred to in paragraph under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Audit report of even date on the standalone financial statements of Rane Brake Lining Limited for the year ended March 31, 2019

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 over financial reporting of Rane Brake Lining Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at

March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Varma & Varma**
Chartered Accountants
FRN004532S

P R Prasanna Varma
Partner
M No.25854

Place : Chennai
Date : May 22, 2019

Balance Sheet

As at March 31, 2019

(₹ in Crores)

S. No	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
A.	ASSETS			
	Non-Current Assets			
(a)	Property, plant and equipment	2	115.72	110.26
(b)	Capital Work in Progress	2	1.93	3.63
(c)	Intangible Assets	3	2.65	3.90
(d)	Financial Assets			
(i)	Investments	4	0.60	-
(ii)	Other financial assets	5	12.78	12.32
(e)	Deferred Tax Asset	13	1.44	0.50
(f)	Tax assets (Net)	14	2.47	-
(g)	Other Non Current Assets	6	0.53	0.98
	Total non-current assets		138.12	131.59
	Current Assets			
(a)	Inventories	7	50.90	36.05
(b)	Financial Assets			
(i)	Trade Receivables	9	140.41	120.83
(ii)	Cash and Cash Equivalents	8A	13.87	9.51
(iii)	Bank Balances other than (ii) above	8B	0.00	0.12
(iv)	Other Financial assets	5	0.60	0.94
(c)	Other Current Assets	6	11.89	11.85
	Total current assets		217.67	179.30
	TOTAL ASSETS		355.79	310.89
B.	EQUITY AND LIABILITIES			
	Equity			
(a)	Equity Share Capital	10	7.91	7.91
(b)	Other Equity	11	201.86	180.30
	Total equity		209.77	188.21
	Liabilities			
	Non-Current Liabilities			
(a)	Financial Liabilities			
i.	Borrowings	12	-	-
ii.	Other financial Liabilities	16	0.05	0.05
(b)	Provisions	17	2.84	2.80
(c)	Other non-current liabilities	18	-	0.22
	Total non-current liabilities		2.89	3.07
	Current Liabilities			
(a)	Financial Liabilities			
i.	Borrowings	12	0.07	0.12
ii.	Trade Payables			
a)	Micro and small enterprises	15	6.59	5.11
b)	Others	15	104.90	86.13
iii.	Other financial Liabilities	16	17.50	15.24
(b)	Other Current Liabilities	18	4.49	2.86
(c)	Provisions	17	9.58	8.28
(d)	Current tax Liabilities (Net)	14	-	1.87
	Total current liabilities		143.13	119.61
	Total Liabilities		146.02	122.68
	TOTAL EQUITY AND LIABILITIES		355.79	310.89
	Significant Accounting Policies, key accounting estimates and judgements	1		
	See accompanying notes to financial statements	2-41		

As per our report of even date

For **Varma & Varma**
Chartered Accountants
Firm Registration Number : 004532S
P R Prasanna Varma
Partner
(Membership No. 025854)

L Ganesh
Chairman
DIN: 00012583

M A P Sridhar Kumar
Chief Financial Officer

For and on behalf of the Board

Vinay Lakshman
Managing Director
DIN: 07295820

Venkatraman
Secretary

Place : Chennai
Date : May 22, 2019

Statement of Profit and Loss

For the Year ended March 31, 2019

(₹ in Crores)

S. No	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from Operations	19	513.89	495.70
II	Other Income	20	7.08	4.92
III	Total Income (I+II)		520.97	500.62
IV	Expenses:			
	Cost of materials consumed	21	259.92	235.23
	Purchases of Stock-in-Trade		0.23	0.01
	Changes in Inventories of finished goods, work-in-progress and stock in trade	22	(7.03)	0.11
	Excise duty on sale of goods		-	13.41
	Employee benefits expense	23	75.24	65.99
	Finance costs	24	0.39	0.16
	Depreciation, amortisation and impairment	25	24.25	23.71
	Other expenses	26	117.75	105.47
	Total Expenses (IV)		470.75	444.09
V	Profit before tax (Before Exceptional items) (III-IV)		50.22	56.53
VI	Exceptional items (VI)	35	0.91	1.64
VII	Profit before tax (After Exceptional items) (V-VI)		49.31	54.89
VIII	Tax Expense:			
	(1) Current Tax	27	13.62	23.87
	(2) Deferred Tax	27	(0.84)	(4.73)
			12.78	19.14
IX	Profit for the year (VII - VIII)		36.53	35.75
	Other Comprehensive Income			
A. i)	Items that will not be reclassified to profit or loss			
a)	Remeasurements of the defined benefit plans	31	(0.29)	0.70
ii)	Income tax relating to items that will not be reclassified to profit or loss	27.1	0.10	(0.24)
X	Total other comprehensive income A(i+ii)		(0.19)	0.46
XI	Total Comprehensive Income for the period (IX+X)		36.34	36.21
XII	Earnings Per Equity Share (Nominal value per share ₹10/-)			
(a)	Basic (In ₹)	29	46.15	45.17
(b)	Diluted (In ₹)	29	46.15	45.17
	Significant Accounting Policies, key accounting estimates and judgements	1		
	See accompanying notes to financial statements	2-41		

As per our report of even date

For **Varma & Varma**

Chartered Accountants

Firm Registration Number : 004532S

P R Prasanna Varma

Partner

(Membership No. 025854)

L Ganesh

Chairman

DIN: 00012583

M A P Sridhar Kumar

Chief Financial Officer

For and on behalf of the Board

Vinay Lakshman

Managing Director

DIN: 07295820

Venkatraman

Secretary

Place : Chennai

Date : May 22, 2019

Cash Flow Statement

For the Year ended March 31, 2019

	(₹ in Crores)	
	For the Year ended March 31, 2019	For the Year ended March 31, 2018
A. Cash flow from operating activities		
Profit for the year	49.31	54.89
Adjustments for :		
Finance costs recognised in profit or loss	0.39	0.16
Interest Income recognised in profit or loss	(1.86)	(0.44)
Dividend Income recognised in profit or loss	(0.30)	(0.11)
(Gain) / Loss on disposal of property, plant and equipment	0.09	0.01
Deferred revenue recognised on account of Government grant	(0.23)	(0.24)
Impairment loss recognised on trade receivables	1.23	(0.59)
Depreciation and Amortisation of non-current assets	24.25	21.70
Impairment of property, plant and equipment	-	2.01
Net foreign exchange (gain) / loss - Unrealised	(0.02)	0.21
	72.86	77.60
Movements in working capital :		
(Increase) / decrease in trade and other receivables	(20.87)	(19.99)
(Increase) / decrease in inventories	(14.85)	(0.53)
(Increase) / decrease in other assets	(0.15)	(8.03)
Increase / (decrease) in trade payables	20.30	21.50
Increase / (decrease) in provisions	1.05	4.84
Increase / (decrease) in other liabilities	3.92	(7.28)
Cash generated from operations	62.26	68.11
Income Tax paid	(17.96)	(19.61)
Net cash generated by operating activities	44.30	48.50
B. Cash flow from investing activities		
Proceeds on sale of property, plant and equipment	0.02	(0.01)
Interest received	1.86	0.44
Dividend income - Short term Mutual Fund investments	0.30	0.11
Payments for property, plant and equipment	(26.24)	(16.49)
Payments for intangible assets	(0.18)	(3.77)
Investments made during the year	(0.60)	0.37
Net cash (used in) investing activities	(24.84)	(19.35)

Cash Flow Statement

For the Year ended March 31, 2019

(₹ in Crores)

	For the Year ended March 31, 2019	For the Year ended March 31, 2018
C. Cash flow from financing activities		
Repayment of borrowings	(0.05)	(5.87)
Dividends and Dividend tax paid	(14.77)	(14.77)
Interest paid	(0.39)	(0.16)
Net cash used in financing activities	(15.21)	(20.80)
Net increase in cash and cash equivalents	4.25	8.35
Cash and cash equivalents at the beginning of the year	9.63	1.28
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.01)	
Cash and Cash equivalents at the end of the year	13.87	9.63

Notes:

(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (IND AS-7) Statement of Cash flows.

(b) Cash and Cash equivalents comprises of

Particulars	March 31, 2019	March 31, 2018
(i) Cash and Cash Equivalents		
(a) Balance with banks in Current accounts	2.53	2.60
(b) Balance with banks in deposit accounts	5.50	1.53
(c) Cash on hand	0.04	0.05
(d) Mutual Fund investments	5.80	5.33
Sub-Total	13.87	9.51
(ii) Other Bank Balances		
(a) Balances with banks in earmarked accounts	0.00	0.12
Sub-Total	0.00	0.12
Total	13.87	9.63

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Varma & Varma**

Chartered Accountants

Firm Registration Number : 004532S

P R Prasanna Varma

Partner

(Membership No. 025854)

L Ganesh

Chairman

DIN: 00012583

M A P Sridhar Kumar

Chief Financial Officer

For and on behalf of the Board

Vinay Lakshman

Managing Director

DIN: 07295820

Venkatraman

Secretary

Place : Chennai

Date : May 22, 2019

Statement of Changes In Equity

For the YEAR Ended March 31, 2019

(₹ in Crores)

Particulars	Share Capital	Other Equity				Total
		Share premium	General reserve	Retained earnings	Remeasurement Gain / (Loss) on defined benefit obligation	
Balance as at 01 April, 2017	7.91	2.80	117.69	38.55	(0.18)	158.86
2017-18						166.77
Profit for the year				35.75		-
Other comprehensive income for the year, net of income tax					0.46	35.75
Amount transferred within Reserves			15.67	(15.67)		0.46
Payment of dividends				(14.77)		-
Other movements during the year						(14.77)
Balance at March 31, 2018	7.91	2.80	133.36	43.86	0.28	180.30
2018-19						188.21
Profit for the year				36.53		-
Other comprehensive income for the year, net of income tax					(0.19)	36.53
Amount transferred within Reserves			20.31	(20.31)		(0.19)
Payment of dividends				(14.78)		-
Balance at March 31, 2019	7.91	2.80	153.67	45.30	0.09	201.86
						209.77

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **Varma & Varma**

Chartered Accountants

Firm Registration Number : 004532S

P R Prasanna Varma

Partner

(Membership No. 025854)

For and on behalf of the Board

L Ganesh

Chairman

DIN: 00012583

Vinay Lakshman

Managing Director

DIN: 07295820

M A P Sridhar Kumar

Chief Financial Officer

Venkatraman

Secretary

Place : Chennai

Date : May 22, 2019

Notes Forming Part of Financial Statements

Note 1 : Summary of Significant Accounting Policies, critical judgements and key estimates

1. General Information

Rane Brake Lining Limited (The “Company”) is engaged in manufacture of brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks and as such operates in a single reportable business segment of ‘Auto components for transportation industry’. The Company is having four manufacturing facilities at Chennai, Hyderabad, Puducherry and Trichy. The Company is a Public Limited Company and listed on Bombay Stock Exchange Limited, Mumbai and National Stock Exchange of India Limited, Mumbai.

2. Summary of Significant accounting policies

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

The financial statements are prepared under historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below, in accordance with the Generally Accepted Accounting Principles in India and comply in all material respects with the accounting standards specified under the section 133 of the Act.

All the assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle. Based on the nature of the products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

2.2 Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in India requires the management to make judgements, estimates and assumptions that effect the reported amount of assets and liabilities as of the Balance Sheet date, reported amount of revenues and expenses for the year and disclosure of contingent liabilities as of the Balance Sheet date. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Although

these estimates are based on the management’s best knowledge of current events and actions, uncertainty about the assumptions and estimates may result in outcomes requiring a material adjustment to the carrying amount of assets or liabilities in future periods. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised 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.

2.3 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment in value, if any. Cost includes purchase price, (inclusive of import duties and non – refundable purchase taxes, after deducting trade discounts and rebates), other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and an initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, if any. If the Company has acquired a Property, Plant and Equipment on deferred term basis and terms are beyond normal credit terms, property plant and equipment will be recognized on cash price equivalent, i.e. discounted amount. The cost of Assets not ready for use as at the Balance Sheet date are disclosed under Capital Work-In-Progress. The cost of replacement spares/ major inspection relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. When parts of an item of property plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation

Depreciation on Property, Plant and Equipment (Tangible assets) is generally computed on a pro-rata basis on the basis of the estimated life specified in Schedule II of the Companies Act, 2013 under Straight line method. The useful life of assets prescribed in Schedule II to the Companies Act, 2013 are considered for the purpose of Computation of Depreciation. However, If the management’s estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on an annual review is different from that envisaged in the aforesaid schedule, depreciation is provided at a such rate based on the useful life / remaining useful life as technically advised. Accordingly, depreciation is provided based on the

Notes Forming Part of Financial Statements

useful life indicated below which is different from that stated in Schedule II to the Companies Act, 2013.

Assets	Life (in years)
Vehicles	5
Furniture and Fixtures	5
Office Equipments (other than computers)	3
Laboratory Equipments	3

Depreciation charge on additions / deletions is restricted to the period of use. Depreciation methods, useful lives and residual values are reviewed annually.

2.4 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over their estimated useful life as given below.

Asset	Life (in years)
Software licence	3
Technical Know how	3

Amortisation method and useful lives are reviewed annually.

2.5 Impairment

Assessment is done annually as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset / cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's fair value less cost to sell and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior

accounting periods may no longer exist or may have decreased. In such cases, impairment losses are reversed to the extent the assets carrying amount does not exceed, the carrying amount that would have been determined if no impairment loss had previously been recognised.

2.6 Borrowing Cost

Borrowing costs that are attributable to the acquisition / construction / production of qualifying assets (assets which require substantial period of time to get ready for its intended use) are capitalised as part of the cost of that asset. All other borrowing costs are charged to revenue.

2.7 Inventories

Inventories are stated at lower of weighted average cost and net realisable value. Cost of inventories comprises of purchase cost, cost of conversion and other cost including manufacturing overheads incurred in bringing the inventory to present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

2.8 Foreign Currency Transaction

Initial Recognition

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the Functional currency and the foreign currency at the date of the transaction.

Subsequent Recognition

As at the reporting date, 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. All 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.

All monetary assets and liabilities in foreign currency are reinstated at the end of accounting period.

Exchange differences on reinstatement of all monetary items are recognised in the Statement of Profit and Loss.

Notes Forming Part of Financial Statements

Derivative Financial instruments and Hedge Accounting

The Company is exposed to foreign currency risk arising out of Foreign currency revenue, receivables, cash balances, forecasted cash flows, payables and foreign currency loans. The Company has a detailed foreign currency risk mitigation policy in place, including the use of derivatives like the forward currency contracts/ options contracts to hedge forecasted cash flows denominated in Foreign currency. The objective of the same is to mitigate the impact of foreign currency exchange fluctuations caused by transacting in foreign currency in case of future cash flows or highly probable forecast transactions. The Company enters into various foreign currency derivative contracts with Banks in the form of Forward currency contracts ('Hedging instrument') and recognise the financial assets / liabilities ('hedged item') through formal documentation of the hedging relationship in line with the Company's Foreign currency risk management policy.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above, are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting.

2.9 Revenue Recognition

The company has applied Ind AS 115 'Revenue from contracts with customers' with effect from 1 April 2018. The performance obligations under all sales contracts are satisfied at a point of time. Ind AS 115 did not have a material impact on the amount or timing of recognition of reported revenue.

The Company derives revenues primarily from sale of safety critical friction material products such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks & other auto components. Revenue is measured based

on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the probable consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. Also, when the level of discount/pricing incentives varies with increases in levels of revenue transactions, the company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount/pricing incentives is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts/pricing incentives in the period in which the change occurs.

2.10 Employee Benefits

1. Short - Term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and recognised in the period in which the employee renders the related service.

2. Defined Contribution Plans Provident Fund

Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

Superannuation Fund

This is a defined contribution Plan. The company contributes sum equivalent to certain specified percentages of the eligible annual salaries based

Notes Forming Part of Financial Statements

on the options exercised by the eligible employees to Superannuation Fund administered by Life Insurance Corporation of India (LIC). The Company has no further obligations for future superannuation benefits other than its annual contribution and recognises such contribution as expense as and when due.

3. Defined Benefit Plan Gratuity

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") administered by LIC covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation, resignation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the other comprehensive income in the year in which they arise. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

4. Other Long term employee benefits Compensated Absence

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Profit and Loss Statement in the year in which they arise.

2.11 Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the relevant prevailing tax laws. Tax

expenses relating to the items in profit and loss shall be treated as current tax as part of profit and loss and those relating to items in other comprehensive income (OCI) shall be recognised as part of OCI.

Deferred tax is recognised for all the temporary differences between the carrying amounts of assets and liabilities in the financial statements and corresponding tax bases used in computation of taxable profit. Deferred tax assets are recognised and carried forward only to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any and the same is recognised to the extent it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation law.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period. MAT shall be treated as part of deferred tax assets.

2.12 Financial instruments

Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instruments. All financial assets and liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

Notes Forming Part of Financial Statements

Subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order 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.

ii. Financial assets at fair value through profit or loss

A financial asset which is not classified in the above category is subsequently fair valued through profit or loss.

iii. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments. Derecognition of financial instruments. The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

Impairment

All financial assets classified as at amortised cost shall be tested for impairment under Ind AS 109 and measured using Expected Credit Loss (ECL) model."

2.13 Fair Value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs

(Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 — inputs that are unobservable for the asset or liability

2.14 Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. All government grants are initially recognized by way of setting up as deferred income. Government grants relating to income are subsequently recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase of property, plant and equipment are subsequently recognised in profit or loss on a systematic basis over the expected life of the related depreciable assets. Grants recognized in Profit and Loss as above are presented within other income.

2.15 Research & Development Expenditure

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred. Items of property, plant and equipment and acquired Intangible assets utilised for Research and Development are capitalized and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

2.16 Provisions and Contingent Liabilities

Provisions : Provisions are recognised when there is a present obligation as 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 and are not discounted to its present value unless the effect of time value of money is material. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes Forming Part of Financial Statements

Contingent Liabilities : 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. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

2.17 Earnings Per Share

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

2.18 Provision for Warranty

The Company's product warranty obligations and estimations thereof are determined using historical information on the type of product, nature, frequency and average cost of warranty claims and the estimates regarding possible future incidences of product failures. Changes in estimated frequency and amount of future warranty claims, which are inherently uncertain, can materially affect warranty expense.

3. Critical accounting judgements, assumptions and key sources of estimation uncertainty

The following are the critical judgements, assumptions concerning the future, and key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1. Useful lives of property, plant and equipment

As described at Note 2.3 above, the charge in respect of periodic depreciation for the year is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed annually. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technical or commercial obsolescence arising from changes or improvements in production or from a change in market demand of the product or service output of the asset.

3.2. Employee Benefits

The cost of defined benefit plans are determined using actuarial valuation, which involves making assumptions about discount rates, expected rates of return on assets, future salary increases, and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

3.3. Taxation

Significant assumptions and judgements are involved in determining the provision for tax based on tax enactments, relevant judicial pronouncements and tax expert opinions, including an estimation of the likely outcome of any open tax assessments / litigations. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available, based on estimates thereof.

3.4 Provisions and contingencies

Critical judgements are involved in measurement of provisions and contingencies and estimation of the likelihood of occurrence thereof based on factors such as expert opinion, past experience etc.

4. Recent accounting pronouncements Standards issued but not yet effective

4.1. Amendments to Ind AS 12 - Income Taxes

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized

and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

4.2 Amendment to Ind AS 19 - Employee Benefits

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to

recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

4.3 New Accounting Standard : Ind AS 116 - Leases

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company is currently evaluating the effect of the above on its standalone financial statements.

Notes Forming Part of Financial Statements

Note 2: Property, Plant and Equipment and Capital Work-in-progress

(₹ In Crores)

	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Freehold land	4.47	4.47
Buildings	31.76	31.56
Plant and equipment	77.58	71.99
Furniture and Fixtures	0.07	0.12
Office Equipments	1.38	1.59
Vehicles	0.46	0.53
Sub-Total	115.72	110.26
Capital Work-in-progress	1.93	3.63
Total	117.65	113.89

(₹ In Crores)

Gross carrying value	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance at April 1, 2017	4.46	33.07	99.81	0.35	1.62	0.78	140.09
Additions	0.04	1.52	10.01	0.02	1.33	0.09	13.01
Disposals	(0.03)	-	(0.96)	(0.04)	(0.10)	(0.08)	(1.21)
Balance at March 31, 2018	4.47	34.59	108.86	0.33	2.85	0.79	151.89
Additions	-	2.05	25.37	0.06	0.74	0.17	28.39
Disposals			(0.11)	(0.00)	(0.00)	(0.00)	(0.11)
Balance at March 31, 2019	4.47	36.64	134.12	0.39	3.59	0.96	180.17

(₹ In Crores)

Accumulated depreciation and impairment	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Balance at April 1, 2017		1.40	17.15	0.14	0.54	0.17	19.40
Eliminated on disposals			(0.96)	(0.03)	(0.10)	(0.07)	(1.16)
Depreciation / impairment expense		1.63	20.68	0.10	0.82	0.16	23.39
Balance at March 31, 2018		3.03	36.87	0.21	1.26	0.26	41.63
Eliminated on disposals							-
Depreciation / impairment expense		1.85	19.67	0.11	0.95	0.24	22.82
Balance at March 31, 2019		4.88	56.54	0.32	2.21	0.50	64.45

Notes Forming Part of Financial Statements

(₹ In Crores)

	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments	Vehicles	Total
Carrying amount as on March 31, 2018	4.47	31.56	71.99	0.12	1.59	0.53	110.26
Carrying amount as on March 31, 2019	4.47	31.76	77.58	0.07	1.38	0.46	115.72

Capital Work-in-progress

(₹ In Crores)

	As at March 31, 2019	As at March 31, 2018
Plant and equipment	1.93	3.63
Total	1.93	3.63

Note 3 Intangible Assets

(₹ In Crores)

	As at March 31, 2019	As at March 31, 2018
Gross carrying amount		
Carrying amounts of:		
Technical Knowhow	2.48	3.84
Software Licence	0.17	0.06
Total	2.65	3.90

(₹ In Crores)

	Technical Knowhow	Software Licence	Total
Gross carrying amount			
Balance as at April 1, 2017	-	0.23	0.23
Additions made during the year	4.07	0.02	4.09
Balance as on March 31, 2018	4.07	0.25	4.32
Additions made during the year		0.18	0.18
Disposals			-
Balance as on March 31, 2019	4.07	0.43	4.50

(₹ In Crores)

	Technical Knowhow	Software Licence	Total
Accumulated Amortisation			
Balance as at April 1, 2017	-	0.10	0.10
Amortisation expense for the year	0.23	0.09	0.32
Balance as on March 31, 2018	0.23	0.19	0.42
Amortisation expense for the year	1.36	0.07	1.43
Balance as on March 31, 2019	1.59	0.26	1.85
Carrying amount as on March 31, 2018	3.84	0.06	3.90
Carrying amount as on March 31, 2019	2.48	0.17	2.65

Notes Forming Part of Financial Statements

(₹ In Crores)

Note 4 Non-Current Investments	As at March 31, 2019		As at March 31, 2018	
	Number	Amount	Number	Amount
Investments in Equity Instruments at FVTPL - Unquoted				
Capsol Energy Private Limited @ ₹ 10/- each	6,00,000	0.60	-	-
CWRE Wind Power Private Limited @ ₹ 10/- each	308	0.00	-	-
Total	6,00,308	0.60	-	-

(₹ In Crores)

Note 5 Other Financial Assets	Non-current as at		Current as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Particulars				
Unsecured and considered good unless otherwise stated :				
(a) Security Deposits (Refer note (i))	7.39	6.96	0.10	0.20
(b) Interest receivable	-	-	0.28	0.41
(c) Advance recoverable in cash	-	-	0.22	0.33
(d) Long term deposits more than one year (Refer note (ii))	0.11	0.10	-	-
(e) Earmarked balances for Unclaimed dividend	0.23	0.21	-	-
(f) Other deposits	5.05	5.05	-	-
(g) Forward exchange contract (Net)	-	-	0.00	-
Total	12.78	12.32	0.60	0.94

Non - current financial assets - notes:

(i) Includes rent deposit paid to director - ₹0.12 Crore (March 31, 2018: ₹0.12 Crore)

(ii) Margin money with banks.

(₹ In Crores)

Note 6 Other Assets	Non-current as at		Current as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Unsecured and considered good unless otherwise stated :				
Capital Advances	0.53	0.98	-	-
Advances paid to suppliers	-	-	1.56	1.56
Balance with Customs and Central Excise Authorities	-	-	8.51	8.29
Prepaid Expenses	-	-	1.15	1.16
Travel advance	-	-	0.67	0.84
Unsecured and considered doubtful:				
(a) Capital Advances	-	0.20	-	-
Less: Provision for doubtful advances	-	(0.20)	-	-
Total	0.53	0.98	11.89	11.85

Notes Forming Part of Financial Statements

(₹ In Crores)

Note 7 Inventories	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
(a) Raw materials	23.09	16.10
(b) Work-in-process	4.86	3.57
(c) Finished goods	16.77	11.03
(d) Stores and spares	2.25	2.37
(e) Goods in transit	3.93	2.98
Total	50.90	36.05

The cost of inventories recognised as an expense during the year is as per Note No. 21 and 22

The cost of inventories recognised as an expense includes ₹0.85 Crores (during 2017-18: ₹ 0.67 Cr) in respect of write-downs of inventory to net realisable value.

The mode of valuation of inventories has been stated in note 2.7

Note 8 Cash and Bank Balances

(₹ In Crores)

Note 8A CASH AND CASH EQUIVALENTS	As at March 31, 2019	As at March 31, 2018
(a) Balance with banks in Current accounts	2.53	2.60
(b) Balance with banks in deposit accounts	5.50	1.53
(c) Cash on hand	0.04	0.05
(d) Mutual Fund investments	5.80	5.33
Total	13.87	9.51

(₹ In Crores)

Note 8B Other Bank Balances	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks in earmarked accounts		
- In Margin Money accounts	0.00	0.12
Total	0.00	0.12

(₹ In Crores)

Note 9 Trade Receivables	As at March 31, 2019	As at March 31, 2018
Secured, considered good	-	-
Trade Receivables considered good - Unsecured	140.41	120.83
Trade Receivables - Credit impaired	4.11	2.88
Sub -Total	144.52	123.71
Allowance for Credit Impaired (expected credit loss allowance)	(4.11)	(2.88)
Total	140.41	120.83
Current	140.41	120.83
Non-current	-	-

Notes Forming Part of Financial Statements

9.1 Trade Receivables

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The range of provision created as a percentage of outstanding under various age groups below 120 days past due comes to 0% - 30%. The Company as a policy provides for 100% for outstanding above 120 days past due.

Ageing of Trade receivables	Range of Expected Credit loss %
Less than 120 Days past due	0% - 30%
More than 120 days past due	100.00%

(₹ In Crores)

Age of receivables	As at March 31, 2019	As at March 31, 2018
Less than 120 Days past due	142.75	122.89
More than 120 days past due	1.77	0.82
Total	144.53	123.71

(₹ In Crores)

Movement in expected credit loss allowance	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	2.88	3.47
Movement in expected credit loss allowance on trade receivables	1.24	(0.44)
Amount written off during the year	(0.01)	(0.15)
Balance at end of the year	4.11	2.88

(₹ In Crores)

Note 10 Equity Share Capital	As at March 31, 2019	As at March 31, 2018
AUTHORISED :		
Equity Shares:		
1,00,00,000 Equity Shares of ₹10 each	10.00	10.00
ISSUED, SUBSCRIBED AND FULLY PAID UP		
79,14,980 Equity Shares of ₹10 each fully paid-up	7.91	7.91
Total	7.91	7.91

(₹ In Crores)

10.1 Reconciliation of number of shares	2018-19		2017-18	
	No of Shares (in Nos)	Amount (₹)	No of Shares (in Nos)	Amount (₹)
Equity Shares of ₹10 each fully paid up				
At the beginning of the period	79,14,980	7.91	79,14,980	7.91
At the end of the period	79,14,980	7.91	79,14,980	7.91

Notes Forming Part of Financial Statements

10.2 Rights, preferences and restrictions attached to shares

The Company has one class of equity share having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

The company has not issued any securities convertible into equity/preference shares.

(₹ In Crores)

10.3 Shares held by holding company	2018-19		2017-18	
	No of Shares (in Nos)	Amount (₹)	No of Shares (in Nos)	Amount (₹)
36,67,181 shares (March 31, 2018: 36,48,311 shares) of ₹10 each, fully paid up held by Rane Holdings Limited, the Holding Company	36,67,181	3.67	36,48,311	3.65

10.4 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

(₹ In Crores)

Name of the Share holder	No of shares held as at			
	March 31, 2019		March 31, 2018	
	Nos.	%	Nos.	%
Rane Holdings Limited	36,67,181	46.33%	36,48,311	46.09%
Nisshinbo Holdings Inc.	15,95,249	20.15%	15,95,249	20.15%
United India Insurance Company Ltd	4,79,030	6.05%	4,79,030	6.05%

(₹ In Crores)

Note 11 Other Equity	As at March 31, 2019	As at March 31, 2018
General Reserve	153.67	133.36
Securities Premium reserve	2.80	2.80
Retained Earnings	45.39	44.14
	201.86	180.30

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit or loss.

(₹ In Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) General Reserve		
Opening balance	133.36	117.69
Add : Addition during the year	20.31	15.67
Less : Transfer to Accumulated Depreciation pursuant to Companies Act 2013	-	-
Less : Adjustment arising on Amalgamation	-	-
Less : Utilised during the year	-	-
Closing balance	153.67	133.36

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

Notes Forming Part of Financial Statements

(₹ In Crores)		
Particulars	As at March 31, 2019	As at March 31, 2018
(b) Securities Premium Reserve		
Opening balance	2.80	2.80
Add : Addition during the period	-	-
Closing balance	2.80	2.80
Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.		
(c) Retained Earnings		
Balance at the beginning of the year	44.14	38.37
Profit attributable to the owners of the company	36.53	35.75
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(0.19)	0.46
Payment of dividends on equity shares	(14.78)	(14.77)
Transfer to General reserve	(20.31)	(15.67)
Balance at the end of the year	45.39	44.14
On August 1, 2018, a dividend of ₹9.00 per share (total dividend, including dividend distribution tax ₹8.59 Cr) was paid to the holders of fully paid equity shares as final dividend for the year 2017-18.		
On February 15, 2019, a dividend of ₹6.50 per share (total dividend, including dividend distribution tax ₹6.19 Crore) was paid to the holders of fully paid equity shares as interim dividend for the year 2018-19.		
In respect of the year ended March 31, 2019, the directors propose that a dividend of ₹9.00 per share be paid on fully paid equity shares. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all holders of fully paid equity shares. The total estimated equity dividend to be paid is ₹8.59 Crores total dividend (Including Dividend Distribution Tax)		
All adjustments arising on account of transition to Ind AS are recorded under this reserve.		
Total Other Equity	201.86	180.30

(₹ In Crores)		
Note 12 Current Borrowings	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
a. Loan repayable on demand (Refer note below)		
- from banks	0.07	0.12
Total	0.07	0.12

The terms of repayment of term loans are given below:

Working capital facilities from banks are secured on paripassu basis by way of hypothecation of all inventories, book debts and other current assets of the Company.

Notes Forming Part of Financial Statements

Note 13 Deferred Tax Assets and Liabilities

The following is the analysis of deferred tax assets / (liabilities) presented in the balance sheet: (₹ In Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	15.05	13.23
Deferred tax liabilities	(13.61)	(12.73)
Net Deferred tax Asset / (Liability)	1.44	0.50

(₹ In Crores)

2018-19	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities) / asset in relation to				
Property plant and equipment	(12.73)	(0.88)	-	(13.61)
Expenses allowable under tax on actual payment basis	4.24	0.92	-	5.16
Provision on doubtful debts	1.20	0.43	-	1.63
Defined benefit obligation - Gratuity	(0.14)	-	0.10	(0.04)
Timing difference on account of VRS	3.50	(0.89)	-	2.61
Other Temporary Timing Differences	4.43	1.26	-	5.69
Sub-Total	0.50	0.84	0.10	1.44
MAT Credit entitlement	-	-	-	-
Net Deferred tax Asset / (Liability)	0.50	0.84	0.10	1.44

Note 14 Current Tax Assets and Liabilities

(₹ In Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Current Tax Assets		
Advance payment of Tax and Tax Deducted at Source	129.33	111.37
Advance Fringe benefits tax	0.05	0.05
Total	129.38	111.42
Current Tax Liabilities		
Income Tax payable	(126.91)	(113.29)
Total	(126.91)	(113.29)
Tax Assets	2.47	(1.87)

(₹ In Crores)

Note 15 Trade Payables

	As at March 31, 2019	As at March 31, 2018
Dues to Micro Small and Medium Enterprise Vendors (Refer note No. 37)	6.59	5.11
Related parties (Refer note no. 33C)	12.40	3.06
Others	92.50	83.07
Total	111.49	91.24

Notes Forming Part of Financial Statements

(₹ In Crores)

Note 16 Other Financial Liabilities	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Employee Related dues	-	-	16.72	15.02
Interest accrued but not due on borrowings	-	-	-	0.01
Unpaid dividends	-	-	0.23	0.21
Deposits C & F Agents	0.05	0.05	-	-
Other payable	-	-	0.55	0.00
Total	0.05	0.05	17.50	15.24

(₹ In Crores)

Note 17 Provisions	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Provision for Warranty (Refer note 17(a) below)				
Balance at the beginning of the year	-	-	1.25	1.45
Additions / Transfers	-	-	0.43	-
Amounts used / Transfers	-	-	-	-
Unused amounts reversed	-	-	(0.11)	(0.20)
Balance as at the end of the year	-	-	1.57	1.25
Provision for Employee benefits	-	-	-	-
Provision for defined benefit plan	-	-	0.67	0.28
Provision for compensated absences	2.84	2.80	1.82	1.52
Sub - Total	2.84	2.80	2.49	1.80
Others				
Balance at the beginning of the year	-	-	5.23	-
Additions / Transfers	-	-	0.65	5.23
Amounts used / Transfers	-	-	(0.36)	-
Balance as at the end of the year	-	-	5.52	5.23
Total	2.84	2.80	9.58	8.28

Note 17 (a) : Provision for warranty and other probable tax demands are recognised net of reimbursements, the same is expected to be settled / adjusted within one year from the reporting date.

(₹ In Crores)

Note 18 Other Liabilities	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Government grant (Refer note no. 18(ii))	-	0.22	0.22	0.24
Advances and Deposits from Customers / Others	-	-	0.08	0.69
Payable for capital purchases	-	-	2.83	1.11
Statutory remittances (Contributions to PF and ESIC, Withholding Taxes, GST, etc.)	-	-	1.20	0.74
Others	-	-	0.16	0.08
Total	-	0.22	4.49	2.86

Note 18 (i): The deferred revenue arises as a result of the benefit received from EPCG on account of purchase of capital goods. The revenue was offset against the depreciation costs incurred in 2018-19 ₹0.24 Cr (2017-2018 ₹0.23 Cr)

Notes Forming Part of Financial Statements

(₹ In Crores)

NOTE 19 Revenue from Operations	Year ended March 31, 2019	Year ended March 31, 2018
(a) Sales of Products (Refer Note No.19.1)	539.60	518.81
(b) Rebates	(26.58)	(23.67)
Sub-Total	513.02	495.14
(c) Other operating revenues		
- Scrap sales	0.65	0.55
- Material sales	0.22	0.01
Total	513.89	495.70

19.1 Revenue from major products and services

The following is the Company's revenue from the continuing operations from its major products and services.

(₹ In Crores)

Categories of products sold	Year ended March 31, 2019	Year ended March 31, 2018
Brake Linings	223.83	213.04
Disc Pads	247.26	252.05
Clutch Facings	5.62	6.96
Railway Brake Blocks	17.40	10.11
Others	18.91	12.98
Total	513.02	495.14

19.2 Consequent to introduction of Goods and Services Tax (GST) w.e.f July 2017, revenue for the year ended March 31, 2018 is presented net of GST in compliance with Indian Accounting Standard (Ind AS) 115 - "Revenue from contracts with customers".

(₹ In Crores)

Note 20 Other Income	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest income earned		
- On Financial assets (at amortised cost)	1.55	0.35
(b) Dividend Income - on financial assets (FVTPL)	0.30	0.11
(c) Other non-operating income (net of expenses directly attributable to)		
- Liabilities / Provisions no longer required written back	3.81	2.79
Others (aggregate of items)	1.42	1.67
Total	7.08	4.92

Notes Forming Part of Financial Statements

	(₹ In Crores)	
	Year ended March 31, 2019	Year ended March 31, 2018
Note 21 Cost of Rawmaterial Consumed		
Raw material and components consumed		
Opening inventory	19.08	16.17
Add: Purchases	257.67	228.38
Less: Inventory at the end of the year	27.02	19.08
Sub-Total	249.73	225.47
Freight inward	4.36	4.71
Job work expenses	5.82	5.05
Total	259.92	235.23

Consumption based accounting is followed for the issue of materials and accordingly purchase is a derived figure.

	(₹ In Crores)	
	Year ended March 31, 2019	Year ended March 31, 2018
Note 22 Changes in Inventories of Work In Process and Finished Goods		
Opening Stock:		
Work-in-process	3.57	4.74
Finished goods	11.03	9.97
Closing Stock:		
Work-in-process	4.86	3.57
Finished goods	16.77	11.03
(Increase)/Decrease in Stocks	(7.03)	0.11

	(₹ In Crores)	
	Year ended March 31, 2019	Year ended March 31, 2018
Note 23 Employee Benefit Expenses		
(a) Salaries, Wages and Bonus	60.99	51.83
(b) Contribution to Provident and Other Funds (Refer Note 31)	3.67	3.57
(c) Gratuity (Refer Note 31)	0.88	0.98
(d) Staff Welfare Expenses	9.70	9.61
Total	75.24	65.99

	(₹ In Crores)	
	Year ended March 31, 2019	Year ended March 31, 2018
Note 24 Finance Costs		
Interest Expense of		
Term Loans (at amortised cost)	-	0.02
Working capital Loans (at amortised cost)	0.00	0.11
Other borrowing cost	0.39	0.03
Total	0.39	0.16

Notes Forming Part of Financial Statements

(₹ In Crores)

Note 25 Depreciation, Amortisation And Impairment Expense	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on Property, plant and equipment pertaining to continuing operations (Refer Note-2)	22.82	23.39
Amortisation of Intangible assets (Refer Note 3)	1.43	0.32
Total depreciation, amortisation and impairment expense	24.25	23.71

(₹ In Crores)

Note 26 Other Expenses	Year ended March 31, 2019	Year ended March 31, 2018
Power and Fuel (Refer Note 26 (a) below)	25.15	22.73
Consumption of stores and spares	7.17	6.56
Travelling and Conveyance	6.86	5.64
Repairs and Maintenance		
- Buildings	0.95	0.19
- Plant and Equipment	10.08	7.98
- Others	3.97	4.51
Packing, Despatching and Freight	23.42	22.91
Insurance	0.85	1.00
Rates and Taxes, excluding taxes on income	5.54	7.96
Rent expense	0.12	0.12
Commission to Selling Agents	1.46	0.92
Auditors' Remuneration (Refer note -26(b) below)	0.19	0.17
Directors' Sitting fee	0.24	0.23
Sales Promotion and Publicity	3.66	3.89
Plant and equipment scrapped	0.11	0.00
Professional Charges	11.90	8.36
Foreign Exchange Loss (Net)	0.59	0.21
Provision for Bad Debts	1.24	(0.44)
Printing and Stationery	0.58	0.60
Royalty	4.94	6.07
Trade mark fees	2.72	2.52
Donation (Refer Note- 36)	1.29	1.05
Excise duty (Refer Note- 26(c) below)	-	(1.63)
Miscellaneous Expenses	4.72	3.92
Total	117.75	105.47

Note 26 (a) Includes ₹2.39 crores (₹2.28 Crores for 2017-18), paid towards certain operating lease arrangement with third party vendors.

Notes Forming Part of Financial Statements

	(₹ In Crores)	
Note 26 (b) Auditors' Remuneration	Year ended March 31, 2019	Year ended March 31, 2018
(a) Audit Fee	0.10	0.09
(b) Tax audit fee	0.02	0.02
(c) Other Services	0.07	0.06
Total	0.19	0.17

Note 26(c) represents the difference between Excise Duty on opening and closing stock of finished goods.

	(₹ In Crores)	
Note 27 Income Tax Expense	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of current year	13.62	23.87
In respect of prior years	-	-
	13.62	23.87
Deferred tax		
In respect of current year	(0.84)	(4.73)
Minimum Alternate Tax (MAT)	-	-
Deferred tax recognised in profit or loss	(0.84)	(4.73)
Total income tax expense	12.78	19.14

The income tax expense for the year can be reconciled to the accounting profit as follows:

	(₹ In Crores)	
	Year ended March 31, 2019	Year ended March 31, 2018
Profit before tax	49.31	54.89
Income Tax expense calculated @34.944% (FY 17-18: 34.608%)	17.23	19.00
Effect of income that is exempt from taxation	0.06	0.04
Effect of expenses that are not deductible in determining taxable profit	0.07	1.27
Effect of concessions (research and development and other allowances)	(4.75)	(1.74)
Effect of tax payable in future in respect of taxable temporary differences	0.16	
Effect of previously unrecognised and unused tax losses and deductible temporary differences now recognised as deferred tax assets	-	-
Adjustments recognised in the current year in relation to the current tax of prior years	0.01	0.57
Other MAT adjustments	-	-
Income Tax expense recognised in profit or loss	12.78	19.14

The tax rate used for the FY 2018-19 reconciliations above is the corporate tax rate of 34.944% (FY 2017-18: 34.608%) payable by corporate entities in India on taxable profits under the Indian tax law.

Notes Forming Part of Financial Statements

(₹ In Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
27.1 Income tax recognised in other comprehensive income		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Remeasurement of defined benefit obligation	0.10	(0.24)
Others (describe)		
Total income tax recognised in other comprehensive income	0.10	(0.24)

(₹ In Crores)

NOTE - 28 Research And Development Expenditure	Year ended March 31, 2019	Year ended March 31, 2018
(i) Capital Expenditure	10.29	0.30
(ii) Revenue Expenses	17.07	10.99

All the revenue expenses were included in the respective heads of expenditure disclosed under "Other expenses" (Note-26)

NOTE 29 Earnings Per Share

(₹ In Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A) Basic Earnings per share		
Profit for the year (A)	36.53	35.75
Weighted average no of shares outstanding (B)	0.79	0.79
Total basic earnings per share (A/B)	46.15	45.17
B) Diluted Earnings per share		
Profit for the year (A)	36.53	35.75
Weighted average no of shares outstanding (B)	0.79	0.79
Total diluted earnings per share (A/B)	46.15	45.17

Note 30. Segment Reporting

The Company is engaged in the activities related to manufacture and supply of auto components for transportation industry and the Chief Operating Decision Maker (Board of Directors) review the operating results as a whole for purposes of making decisions about resources to be allocated and assess its performance, the entire operations are to be classified as a single business segment, namely components for transportation industry. The geographical segments considered for disclosure are – India and Rest of the World. All the manufacturing facilities are located in India:

30.1 Product wise break up - Please refer note no. 19.1

30.2 Geographical Information

(₹ in Crores)

	Revenue from external customers		Non - current assets**	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	491.88	473.52	120.30	117.79
Rest of World	22.01	22.18	-	-
Total	513.89	495.70	120.30	117.79

** Non-current assets are used in the operations of the Company to generate revenues both in India and outside India.

Notes Forming Part of Financial Statements

30.3 Information about major customers

Revenue from sale of Products to largest customers (greater than 10% of total sales) is ₹218.30 Crores (March 31, 2018, ₹172.07 Crores)

NOTE 31 Employee Benefit Plans

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

(a) Provident fund and pension

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to Employee Provident Fund Organisation.

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn.

The Company contributes up to 15% of the eligible employees' salary to Superannuation Fund administered by Life Insurance Corporation of India (LIC). Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The total expense recognised in profit or loss of ₹3.32 Crores (for the year ended March 31, 2018: ₹3.21 Crores) represents contributions payable to these plans by the company at rates specified in the rules of the plans. As at March 31, 2019, contributions of ₹0.54 Crores (as at March 31, 2018: ₹0.33 Crores) due in respect to 2018-19 (2017-18) reporting period had not been paid over to the plans. The amounts were paid subsequent to the end of the respective reporting periods.

B. Defined benefit plans

The defined benefit plans operated by the Company are as below:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds administered by Life Insurance Corporation of India (LIC). The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

The defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields; if the return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Notes Forming Part of Financial Statements

C. Details of defined benefit obligation and plan assets:

Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of provision of ₹1.82 (March 31, 2018 - ₹1.52) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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

	(₹ in Crores)	
Principal Actuarial Assumptions at Balance Sheet date	2018-19	2017-18
Discount rate	7.62%	7.72%
Expected rate of salary increase		
- Executives and Staff	8.00%	8.00%
- Operators	8.00%	8.00%
Attrition rate		
- Executives and Staff	3.00%	3.00%
- Operators	1.00%	1.00%

Gratuity

(i) Movements in the present value of the defined benefit obligation are as follows.

	(₹ in Crores)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	12.48	12.56
Current Service Cost	0.90	0.94
Interest cost	0.94	0.87
Remeasurement (gains) / losses :		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.27	(0.89)
Actuarial gains and losses arising from experience adjustments	-	-
Past service cost, including losses / (gains) on curtailments	-	-
Benefits paid	(0.66)	(1.00)
Closing defined benefit obligation	13.93	12.48

(ii) Movements in the fair value of the plan assets

	(₹ in Crores)	
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	12.21	11.22
Interest income	0.20	-
Remeasurement gain (loss) :		
Return on plan assets (excluding amounts included in net interest expense)	0.93	0.63
Contributions from the Employer	0.58	1.36
Benefits paid	(0.66)	(1.00)
Closing fair value of plan assets	13.26	12.21

Notes Forming Part of Financial Statements

- (iii) The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows :

(₹ in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	13.93	12.48
Fair value of plan assets	13.26	12.21
Funded status	0.67	0.27
Restrictions on asset recognised	-	-
Others (describe)	-	-
Net liability arising from defined benefit obligation	0.67	0.27

- (iv) Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:

(₹ in Crores)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service Cost :		
Current Service cost	0.90	0.94
Past service cost and (gain) / loss from settlements	-	-
Net interest Expense	(0.02)	0.04
Components of defined benefit costs recognised in profit or loss	0.88	0.98

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(v) Risk Exposure

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The expected rate of return on plan assets is based on the composition of plan assets held (through LIC), historical results of the return on plan assets, the company's policy for plan asset management and other relevant factors.

- (vi) The principal assumptions used for the purposes of the actuarial valuations were as follows. (₹ in Crores)

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount Rate(s)	7.62%	7.72%
Expected Rate(s) of salary increase		
Executives and Staff	8.00%	8.00%
Operators	8.00%	8.00%
Attrition Rate		
Executives and Staff	3.00%	3.00%
Operators	1.00%	1.00%

Notes Forming Part of Financial Statements

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Sensitivity Analysis

(₹ in Crores)

Change in assumption	March 31, 2019	March 31, 2018
A. Discount Rate + 50 BP	8.12%	8.22%
Defined Benefit Obligation [PVO]	13.21	11.81
Current Service Cost	0.92	0.84
B. Discount Rate - 50 BP	7.12%	7.22%
Defined Benefit Obligation [PVO]	14.71	13.21
Current Service Cost	1.05	0.96
C. Salary Escalation Rate +50 BP	8.50%	8.50%
Defined Benefit Obligation [PVO]	14.71	13.22
Current Service Cost	1.05	0.96
D. Salary Escalation Rate -50 BP	7.50%	7.50%
Defined Benefit Obligation [PVO]	13.20	11.80
Current Service Cost	0.92	0.84

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 12.1 years (2018 - 12.3 years). The expected maturity analysis of undiscounted gratuity is as follows:

(₹ in Crores)

	March 31, 2019	March 31, 2018
Year 1	0.56	0.23
Year 2	0.61	0.63
Year 3	0.61	0.73
Year 4	0.44	0.55
Year 5	0.81	0.40
Next 5 Years	5.65	4.60

Notes Forming Part of Financial Statements

NOTE 32 FINANCIAL INSTRUMENTS

32.1 Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. As at 31st March, 2019, the Company has only one class of equity shares and has low debt. There are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for distribution as dividend or re-investment into business based on its long term financial plans.

	(₹ in Crores)	
32.2 Categories of financial instruments	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
- Equity investments	0.60	-
- Derivative instruments	0.00	-
- Investment in Mutual Funds (Grouped under cash and cash equivalents)	5.80	5.33
Measured at amortised cost		
- Trade receivables	140.41	120.83
- Cash and cash equivalents	8.06	4.18
- Other bank balances	0.00	0.12
- Other financial assets (Current)	0.60	0.94
- Other financial assets (Non-Current)	12.78	12.32
Financial liabilities		
Measured at amortised cost		
- Borrowings (Long-term)	-	-
- Borrowings (Short-term)	0.07	0.12
- Trade payables	-	-
- Other Financial liabilities	17.55	15.29

Fair value hierarchy	(₹ in Crores)		
Particulars	March 31,2019	March 31,2018	Fair value Hierarchy
- Derivative instruments (Forward contracts)	0.00	-	Level-1
- Investment in Mutual Funds (Grouped under cash and cash equivalents)	5.80	5.33	Level-1
- Equity investments	0.60	-	Level-3

Notes Forming Part of Financial Statements

The Company carries equity investment as described in Note-4 to the financial statements. The fair value of the same is based on price of prior transactions. The said investment has subsequently been transferred at its carrying value during the financial year 2018-19. Accordingly, disclosure of the sensitivity of fair value measurement in unobservable inputs is considered not relevant. Other than the effect of disposal as stated above, there are no other changes in the fair value of such investments.

In the opinion of the management, the carrying amounts of financial assets and financial liabilities recognised in the financial statements are, a reasonable approximation of their fair values. Hence no separate disclosures of fair value has been made.

32.3 Financial risk management

The Company is exposed to Market risk, Credit risk and Liquidity risk. The Board of Directors ('Board') oversee the management of these financial risks through its Risk Management Committee. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risks.

The following disclosures summarize the Company's exposure to financial risks and information regarding use of derivatives employed to manage exposures to such risks. Quantitative sensitivity analysis have been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

32.3.1 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 conditions. Market risk mainly comprises of interest rate risk, currency risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables and derivative financial instruments. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates and other price risk.

There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal.

(b) Foreign Currency risk

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising derivative contracts. The risk management objective of the company is to hedge risk of change in the foreign currency exchange rates associated with its direct & indirect transactions denominated in foreign currency. Since most of the transactions of the company are denominated in its functional currency (INR), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility. The Company does not enter into a foreign exchange transaction for speculative purposes i.e. without any actual / anticipated underlying exposures.

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

Currency	Liabilities as at		Assets as at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
EURO	193,358	93,821	370	-
GBP	3,890	-	53,263	36,748
JPY	69,292,397	76,337,462	-	-
USD	557,200	258,031	589,235	682,856

Notes Forming Part of Financial Statements

Foreign Currency sensitivity analysis

The below table demonstrates the sensitivity to a 5% increase or decrease in the relevant foreign currency against INR, with all other variables held constant. The sensitivity analysis is prepared on the net unhedged exposure of the Company as at the reporting date. 5% represents management's assessment of reasonable possible change in foreign exchange rate.

(₹ in Crores)

Particulars	Impact on profit or loss for the year		Impact on total equity as at the end of the reporting period	
	2018 - 2019	2017 - 2018	2018 - 2019	2017 - 2018
A) Financial Assets				
USD	(0.01)	0.01	(0.01)	0.01
GBP	(0.20)	(0.22)	(0.14)	(0.15)
B) Financial Liabilities				
USD	-	(0.08)	-	(0.05)
EUR	-	(0.04)	-	(0.02)
JPY	-	(0.00)	-	(0.00)
Net Impact (A-B)	(0.21)	(0.09)	(0.15)	(0.07)

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Forward foreign exchange contracts

It is the policy of the Company to enter into forward exchange contracts to cover specific foreign currency risk in accordance with the Board approved policy. The following table details the forward foreign currency (FC) contracts outstanding at the end of the reporting period:

(₹ in Crores)

Outstanding contracts	Average exchange rate		In respective Foreign currency		Notional value		Fair value assets / (liabilities) (in ₹)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash flow hedges								
Buy Currency Euro								
Less than 03 months	-	81.06	-	(1)	-	(41)	-	(41)
Buy Currency JPY								
Less than 03 months	63.33	62.25	(86,273,723)	(76,260,462)	(54,635,135)	(47,474,041)	(54,517,228)	(47,213,051)
More than 03 months	63.52	-	(25,000,000)	-	(15,880,000)	-	(15,985,625)	-
Buy Currency USD								
Less than 03 months	69.76	-	(750,000)	-	(52,322,500)	-	(52,360,000)	-
More than 03 months	70.20	-	(250,000)	-	(17,550,000)	-	(17,556,250)	-
Cash flow hedges								
Sell GBP								
Less than 3 months	94.95	90.76	29,262	13,502	2,778,343	1,225,442	2,686,136	1,251,129

The line-items in the balancesheet that include the above hedging instruments are "other financial assets" and "other financial liabilities".

Notes Forming Part of Financial Statements

32.3.2 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the management.

Trade receivables consist of a large number of customers, ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased. Credit risk arising from investment in mutual funds, derivative financial instruments and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognised financial institutions with high credit ratings assigned by the international credit rating agencies.

The Company's trade and other receivables consists of a large number of customers, across geographies, hence the Company is not exposed to concentration risk.

32.3.3 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

(₹ in Crores)

Particulars	Less than 1 Year	1-5 years	More than 5 years	Total	Carrying value
March 31, 2019					
Borrowings	0.07	-	-	0.07	0.07
Trade payables	111.49	-	-	111.49	111.49
Derivative Financial Liabilities	-	-	-	-	-
Other Financial Liabilities	17.50	0.05	-	17.55	17.55
Total	129.06	0.05	-	129.11	129.11
March 31, 2018					
Borrowings	0.12	-	-	0.12	0.12
Trade payables	91.24	-	-	91.24	91.24
Derivative Financial Liabilities	0.03	-	-	0.03	0.03
Other Financial Liabilities	15.24	0.05	-	15.29	15.29
Total	106.63	0.05	-	106.68	106.68

Notes Forming Part of Financial Statements

33. Related Party Disclosures

(a) Names of related parties and nature of relationship:

- | | | |
|------|-----------------|-------------------------------|
| (i) | Holding Company | Rane Holdings Limited (RHL) |
| (ii) | Associate | Nisshinbo Holdings Inc. Japan |

Other related parties where transactions have taken place during the year

- | | | |
|--------|---|--|
| (iii) | Fellow Subsidiaries | Rane Madras Limited (RML)
Rane Engine Valve Limited (REVL)
Rane Holding America Inc (RHA)
Rane Holding Europe GmbH (RHEG)
Rane Precision Deicasting Inc., USA (RPDC) |
| (iv) | Key Management Personnel (KMP) | Mr. L Ganesh, Chairman
Mr. Vinay Lakshman, Managing Director |
| (v) | Relatives of KMP | Mr. L Lakshman
Mr. Harish Lakshman |
| (vi) | Subsidiaries, Associate or Joint venture of other entities in Group | Rane TRW Steering Systems Private Limited (RTSS)
JMA Rane Marketing Limited (Upto 13.11.2018)
Nisshinbo Automotive Manufacturing Inc; USA
Nisshinbo Brake Inc; Japan
Nisshintoa Iwao Inc; Japan
Saeron Automotive Corporation; Korea
Shijiazhuang TMD Friction Ltd.Co.; China
TMD Friction GmbH, Germany
TMD Friction Esco GmbH, Germany |
| (vii) | Entities significantly influenced by Key Management Personnel | Rane Foundation (RF) |
| (viii) | Post employment benefit plan of the entity | Rane Brake Lining Limited Employees Gratuity Fund
Rane Brake Lining Limited Senior Executives Pension Fund |
- (b) The above information regarding related parties have been determined to the extent such parties have been identified on the basis of information available with the Company.

Notes Forming Part of Financial Statements

33 (c) Transactions / Balances

(₹ in Crores)

Description	Holding Company		Associate		Fellow Subsidiary		Key Management Personnel		Relatives of Key Management Personnel		Subsidiaries, Associate or joint venture of other entities in Group		Entities significantly influenced by Key Management Personnel		Post employment benefit plan of the Entity		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Transactions during the year																		
Trade Mark Fee	2.72	2.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.72	2.54
Professional Charges	3.92	3.95	-	-	0.25	0.15	-	-	-	-	5.27	1.86	-	-	-	-	9.44	5.96
Reimbursement of expenses	0.01	-	-	-	0.06	0.02	-	-	-	-	0.33	0.03	-	-	-	-	0.40	0.05
Commission to Chairman	-	-	-	-	-	-	1.00	1.10	-	-	-	-	-	-	-	-	1.00	1.10
Remuneration to Managing Director*	-	-	-	-	-	-	2.91	2.00	-	-	-	-	-	-	-	-	2.60	2.00
Rent Deposit to L Lakshman	-	-	-	-	-	-	-	-	-	0.12	-	-	-	-	-	-	-	0.12
Sale of Asset	-	-	-	-	-	0.00	-	-	-	-	-	0.03	-	-	-	-	-	0.03
Supply of Products	-	-	-	-	2.26	1.37	-	-	-	-	9.98	23.81	-	-	-	-	12.24	25.18
Purchase of Raw Material	-	-	-	-	-	-	-	-	-	-	33.35	27.72	-	-	-	-	33.35	27.72
Royalty	-	-	-	-	-	-	-	-	-	-	5.87	6.78	-	-	-	-	5.87	6.78
Licence Fee	-	-	-	-	-	-	-	-	-	-	-	4.07	-	-	-	-	-	4.07
Sitting fees paid	-	-	0.01	0.00	-	-	0.04	0.04	0.04	0.04	-	-	-	-	-	-	0.09	0.08
Donation - CSR	-	-	-	-	-	-	-	-	-	-	-	-	1.02	1.03	-	-	1.02	1.03
Post Employment Benefit Plan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.57	1.61	0.57	1.61

Notes Forming Part of Financial Statements

(₹ in Crores)

Description	Holding Company		Associate		Fellow Subsidiary		Relatives of KMP		Subsidiaries, Associate or joint venture of other entities in Group		Post Employment Benefit Plan		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Outstanding as at														
Amount Payable														
Purchase of Raw Material	-	-	-	-	-	-	-	-	4.52	2.76	-	-	4.52	2.76
Purchase of Software Licence	0.02	-	-	-	-	-	-	-	-	-	-	-	0.02	-
Post Employment Benefit	-	-	-	-	-	-	-	-	-	-	0.99	0.30	0.99	0.30
Trade mark	0.74	-	-	-	-	-	-	-	-	-	-	-	0.74	-
Royalty	-	-	-	-	-	-	-	-	2.00	-	-	-	2.00	-
Professional Charges	-	-	-	-	-	-	-	-	4.05	-	-	-	4.05	-
Others	-	-	0.08	-	-	-	-	-	-	-	-	-	0.08	-
Amount Receivable														
Sale of Assets	-	-	-	-	-	-	-	-	-	0.03	-	-	-	0.03
Supply of Products	-	-	-	-	0.63	0.50	-	-	0.12	5.14	-	-	0.75	5.64
Purchase of Raw Material	-	-	-	-	-	-	-	-	0.19	-	-	-	0.19	-
Professional Charges	0.23	-	-	-	-	-	-	-	-	-	-	-	0.23	-
Others	-	-	-	-	0.13	-	-	-	-	-	-	-	0.13	-

* Remuneration to Key Management Personnel Mr. Vinay Lakshman, Managing Director

(₹ in Crores)

Particulars	2019	2018
Short term benefits paid	2.63	1.92
Other Long term benefits paid	0.25	-
Termination benefits	0.03	0.08
Total	2.91	2.00

Notes Forming Part of Financial Statements

Note 34 Commitments

(₹ in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for	37.08	21.16
(b) Export obligation in respect of capital goods imported on payment of concessional duty*	-	13.95

*As per EPCG certificate conditions average export turnover has to be maintained at ₹26.75 Crores per year for the next 2 years.

Note 35 Exceptional item

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
Voluntary retirement scheme (Refer note-(a))	0.91	1.64

(a) Exceptional item represents the amount paid to 7 employees (March 31, 2018 - 11 employees) who opted for early retirement in terms of a voluntary scheme introduced by the Company.

Note 36 Corporate Social responsibility

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
Total expenditure towards corporate social responsibility	1.26	1.30
Amount required to be spent u/s 135 of the Companies Act, 2013	0.89	0.66
Excess / (Shortfall)	0.37	0.64

Note 37 Dues to micro and small enterprises

Dues to Micro Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the company. This has been relied upon by the auditors. According to the records available with the Company certain amount have been identified as dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

(₹ in Crores)

Particulars	March 31, 2019	March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.59	5.11
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.03	2.39
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.00	0.01
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Notes Forming Part of Financial Statements

Note 38 Contingent Liabilities

(₹ in Crores)

Particulars	As at March 31, 2019	As at March 31, 2018
Income tax matters	7.77	7.92
Sales tax matters	1.27	2.52
Excise Duty matters	0.05	0.07
Service tax matters	1.10	1.74
Total	10.19	12.25

Note 39. Approval of financial statements

The financial statements were approved for issued by the Board of Directors on May 22, 2019

Note 40. Additional information to Financial statements

(₹ in Crores)

	As at March 31, 2019	As at March 31, 2018
a) Raw materials consumed :		
i) Asbestos	11.67	11.71
ii) Chemicals & Resins	175.04	155.55
iii) Steel Components	63.03	58.42
iv) Others	0.00	-
Total	249.74	225.68
b) CIF Value of imports :		
i) Raw materials	80.95	73.50
ii) Capital goods	10.55	0.41
Total	91.50	73.91
c) Expenditure in foreign currency		
i) Royalty	4.28	5.89
ii) Technical and License Fees	6.13	6.84
iii) Travelling	0.07	0.19
iv) Sales Commission	0.38	0.45
v) Professional and Consultancy Charges	0.05	0.49
vi) Others	0.40	0.18
Total	11.31	14.04

(₹ in Crores)

d) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption:	Year ended			
	March 31, 2019		March 31, 2018	
	Value	Percentage	Value	Percentage
i) Raw Materials				
a) Imported	113.72	44%	103.12	44%
b) Indigenous	136.02	53%	122.56	53%
ii) Stores and Spare Parts				
a) Imported	-	-	-	-
b) Indigenous	7.17	3%	6.56	3%
	256.91	100%	232.24	100%

Notes Forming Part of Financial Statements

e) Amount remitted in foreign currencies towards dividends during the year:

(₹ in Crores)

Particulars	Year ended					
	March 31, 2019			March 31, 2018		
	No. of Non-resident shareholders	No. of equity shares held	Dividend remitted (in ₹ Crores)	No. of Non-resident shareholders	No. of equity shares held	Dividend remitted (in ₹ Crores)
Interim Dividend paid during the year	1	15,95,249	1.04	1	15,95,249	1.04
Final Dividend paid during the year	1	15,95,249	1.44	1	15,95,249	1.44

f) Earnings in foreign currency

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
FOB Value of exports	22.07	22.43
	22.07	22.43

g) Other Financial information

(₹ in Crores)

	Year ended	
	March 31, 2019	March 31, 2018
i. Outstanding Letter of Credit	0.97	0.03
ii. Guarantees excluding financial guarantees	1.86	1.00
iii. Net exchange difference debited to Profit and Loss Statement	0.59	0.21

41 The figures for the previous year have been regrouped wherever necessary to conform to current year's classification. Figures have also been rounded off to Crores of rupees.

For **Varma & Varma**

Chartered Accountants

Firm Registration Number : 004532S

Signature to Note -1 to Note-41

For and on behalf of the Board

P R Prasanna Varma

Partner

(Membership Number :025854)

L Ganesh

Chairman

DIN: 00012583

Vinay Lakshman

Managing Director

DIN: 07295820

M A P Sridhar Kumar

Chief Financial Officer

Venkatraman

Secretary

Place: Chennai

Date : May 22, 2019

Annexure to the Report of the Board of Directors**Particulars of Directors, Key Managerial Personnel and Employees for the year 2018-19****A. Details as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1. Remuneration paid to Directors and Key Managerial Personnel**

Name	Designation	Remuneration FY 2018-19 (₹ in Crores)	% increase / (decrease) of remuneration FY 2018-19	Ratio of remuneration of each director to median remuneration of employees
Mr. L Ganesh	Non - Executive Chairman	1.00	(9%)	22
Key Managerial Personnel				
Mr. Vinay Lakshman	Managing Director	2.91	45%	60
Mr. M A P Sridhar Kumar	Chief Financial Officer	0.51	13%	
Mr. Venkatraman	Company Secretary (Refer Note iii)	0.15	12%	Not Applicable

Note:

- (i) None of the other Directors receive any remuneration from the Company except sitting fees for attending meeting of the Board / Committee(s) thereof.
 - (ii) Remuneration considered based on annual emoluments and designation as on date.
 - (iii) Remuneration of Secretary is part of the secretarial services availed by the Company from Rane Holdings Limited.
2. Median remuneration of the employees of the Company for FY 2018-19 is ₹0.05 Crores. Increase in median remuneration during the year: 8%
 3. Number of permanent employees on the rolls of the Company as on March 31, 2019 was 756 as against 766 as on March 31, 2018.
 4. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 8%, as against an percentile increase in managerial remuneration: 45%. The increase in managerial remuneration is in line with present industry standards.
 5. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy of the Company.

B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
i. Top ten employees in terms of remuneration drawn:

Name	Designation	Remuneration (₹ crs)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr Vinay Lakshman	Managing Director	2.91	Permanent	B.Com; Master's Degree in Accounting & Financial Management from DeVry University, Chicago, USA & 22 years	01-Oct-15	42	Sr.Vice President- Commercial Rane Brake Lining Ltd	50 shares (0.00%)	Son of Mr L Lakshman & Brother of Mr Harish Lakshman
Mr M A P Sridharkumar	Senior Vice President -Finance & CFO	0.51	Permanent	B.com; ACA & 24 years	10-Feb-97	51	Manager-Finance- Classic Bio-tech & Exports Ltd	-	-
Mr Bhargav S	General Manager - Operations	0.39	Permanent	BE,MS, EGMP (IIMB) & 20 years	02-Sep-02	42	Engineer – Brakes India Ltd	-	-
Mr Balaji Srinivasan	General Manager – Research & Development	0.37	Permanent	BE, MBA, M.Tech & 23 years	09-Feb-17	44	General Manager R&D – Brakes India Private Limited	-	-
Mr Vijaya Kumar K	Deputy General Manager - Materials	0.32	Permanent	B.Tech (Chemical) PGPEX (IIM, C) & 16 years	28-Dec-17	39	Deputy General Manager, Materials - Mando Automotive India Pvt. Ltd	-	-
Mr R Govardhanan	General Manager - Human Resource	0.32	Permanent	B.Sc., BL, MA, MBA & 23 years	14-Aug-14	49	Senior Manager – Human Resources, BMW India Pvt Ltd	-	-
Mr Ganeshkumar K	Senior Manager – Techno Marketing	0.32	Permanent	B.Tech., M.Tech. PGDM & 16 years	28-Dec-15	39	Senior Manager – KAM – Passenger Car, Wheels India Limited	-	-

Name	Designation	Remuneration (₹ crs)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment	Age	Last employment held	Percentage of equity shares held by the employee in the Company	Whether any such employee is a relative of any director or manager (if so, name of director / manager)
Mr Shanmuganathan V	Deputy General Manager – Quality Assurance	0.32	Permanent	B.Sc., MBA & 34 years	21-May-84	58	NIL	-	-
Mr Muthukumar M	General Manager – R&D	0.28	Permanent	B.Sc., M.Sc., Ph.D & 27 years	24-Mar-08	50	Project Manager (Forumulation Development) – Fosroc, International Development Centre, Bangalore	-	-
Ms Rama Devi S	Deputy General Manager - Finance	0.25	Permanent	B.com, ACA, CS (Inter) & 12 Years	27-Apr-16	36	Senior Manager – Finance – Wabco India Limited	-	-

ii. Employed throughout the financial year with remuneration not less than ₹1.02 crores per annum (excluding details of top ten employee(s) given in (i) above): **NIL**

iii. Employees whose remuneration was not less than ₹8.50 lakhs p.m (if employed part of the financial year, excluding details of top ten employee(s) given in (i) above) : **NIL**

iv. Employees whose remuneration was in excess of that of MD / Whole time Director / Manager and holding 2% of shares of the Company along with relatives (either employed throughout the financial year or part thereof): **NIL**

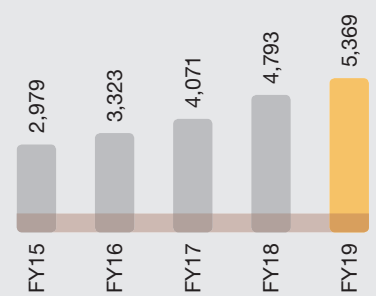
Our Parentage

RANE HOLDINGS LIMITED

Founded in 1929, Rane Holdings Limited (RHL), through its group companies is engaged in the manufacturing and marketing of automotive components for the transportation industry. Rane Group is a preferred supplier to major OEMs in India and abroad. The group's product portfolio includes Steering and Suspension systems, Friction materials, Valve train components, Occupant safety systems, Die Casting products and Connected mobility solutions. Its products serve a variety of industry segments including Passenger Vehicles, Commercial Vehicles, Farm Tractors, Two-wheelers, Three-wheelers, Railways and Stationery Engines. The group has manufacturing presence across 25 locations in India and one in the USA.



Total Income (₹ in Crores)



Subsidiaries

Rane (Madras) Limited

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

Rane Brake Lining Limited

Rane Engine Valve Limited

Rane t4u Private Limited

Rane Holdings America Inc., USA

Rane Holdings Europe GmbH, Germany

Joint Ventures

Rane TRW Steering Systems Private Limited

Rane NSK Steering Systems Private Limited



Rane Brake Lining Limited

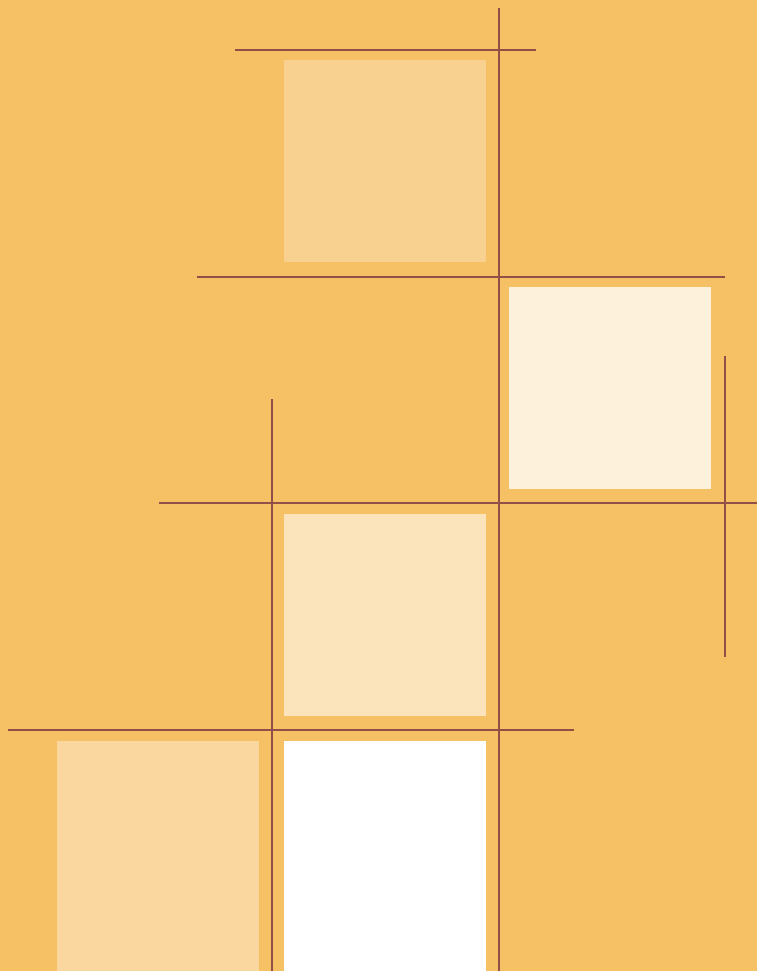
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Rane Brake Lining Limited

CIN: L63011TN2004PLC054948

Registered Office: "Maithri", No. 132, Cathedral Road, Chennai - 600 086

Phone: 044 28112472 / 73, Fax: 044 28112449,

e-mail: investorservices@ranegroup.com, website: www.ranegroup.com

Notice to Members

NOTICE is hereby given that the **Fourteenth (14th) Annual General Meeting of Rane Brake Lining Limited** is scheduled to be held at **10:15 hrs on Thursday, July 25, 2019 at The Music Academy (Mini Hall), New No. 168, T.T.K Road, Royapettah, Chennai - 600 014**, to transact the following business:

ORDINARY BUSINESS:

- 1. To consider and adopt the Audited Financial Statement of the Company for the year ended March 31, 2019, together with reports of the Board of Directors and the Auditor thereon**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that the Audited Financial Statement of the Company for the year ended March 31, 2019 together with the reports of the Board of Directors and the Auditor thereon, as circulated to the members and presented to the meeting be and are hereby adopted."

- 2. To declare dividend on equity shares**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that a final dividend of ₹9.00 per equity share having face value of ₹10/- each on 79,14,980 equity shares be and is hereby declared out of the profits of the Company for the year ended March 31, 2019 absorbing a sum of ₹8,58,77,850/- (including dividend distribution tax) and that the dividend be paid to those shareholders, whose name appear in the Company's Register of Members as on July 18, 2019 and the interim dividend of ₹6.50 per equity share declared by the Board of Directors on January 28, 2019 and paid to the shareholders on February 15, 2019, be confirmed to represent a total dividend of ₹15.50 per equity share having face value

of ₹10 each be paid out of the profits of the Company for the financial year 2018-19."

- 3. To appoint a Director in the place of Mr. Harish Lakshman (DIN:00012602), who retires by rotation and being eligible, offers himself for re-appointment**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that Mr. Harish Lakshman (DIN:00012602), who retires by rotation under article 111 and 113 of the Articles of Association of the Company and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

- 4. To appoint Mr. Krishna Kumar Seshadri (DIN: 00062582) as an Independent Director**

To consider passing the following resolution as an **ordinary resolution**:

"Resolved that pursuant to Section 149, 150, 152 read with Schedule IV and such other applicable provisions of the Companies Act, 2013 (the "Act") and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Krishna Kumar Seshadri (DIN:00062582), appointed as an Additional Director of the Company in the category of Independent Director by the Board of Directors with effect from May 22, 2019, in terms of section 149 read with Section 161 of the Act and the Articles of Association of the Company, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term upto the conclusion of Sixteenth Annual General Meeting (AGM 2021)."

5. To approve under Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors

To consider passing the following resolution as a **special resolution**:

“Resolved that in addition to approval already accorded by the members of the Company vide resolution passed at the Thirteenth Annual General Meeting of the Company held on July 24, 2018, specific annual approval of the members in terms of the provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) (including any statutory modifications or re-enactment thereof) be and is hereby accorded for payment of remuneration to Mr. L Ganesh, (DIN:00012583) Chairman, for the financial year ended March 31, 2019 exceeding 50% (fifty percent) of the

total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

Resolved further that the Board of Directors of the Company be and are hereby authorized to determine matters, from time to time, in connection with the payment and distribution of commission to Mr. L Ganesh, in such proportion and in such manner as may be necessary, proper and expedient to give effect to approval(s) accorded by the members.”

(By order of the Board)
For Rane Brake Lining Limited

Chennai
May 22, 2019

Venkatraman
Secretary

Registered Office:
Rane Brake Lining Limited
“Maithri”, No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

NOTES:

1. In terms of Section 102 of the Companies Act, 2013 and Secretarial Standard on General Meeting (SS-2), an explanatory statement setting out the material facts concerning business to be transacted at the AGM is annexed and forms part of this Notice.
2. **Any member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a proxy to attend and vote at the AGM instead of himself. The proxy need not be a member of the Company. The proxies should however be deposited at the registered office of the Company not less than 48 hours before the commencement of the AGM.**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Corporate members intending to send their authorised representatives to attend the AGM shall send to the Company a certified copy of the Board resolution authorising their representative to attend and vote on their behalf at the AGM.
4. The record date for the purpose of final dividend and the cut-off date for determining eligibility of members for voting in connection with the Fourteenth AGM is **July 18, 2019 (Thursday).**
5. Pursuant to the relevant provisions of the Companies Act, 2013, dividend, which remains unclaimed / unpaid for a period of seven years from the date they became due for payment are required to be transferred to the Investor Education and Protection Fund (IEPF). The shares in respect of such dividend are also liable to be transferred to the demat account of the IEPF Authority.
6. Physical copies of the notice of the Fourteenth AGM along with the attendance slip and proxy form are being sent to all the members in addition to the electronic mode to all members whose e-mail addresses are registered with the Company / Depository Participant(s) (DP). Members are encouraged to receive communications from the Company in electronic form and are requested to register their e-mail address with their DP/ Registrar and Transfer Agents (RTA).
7. Members may also note that the notice of the Fourteenth AGM and the Annual Report 2019 will be available in the Investor section on the Company's website www.ranegroup.com.

8. Listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as National Automated Clearing House (NACH), National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS) for making payments like dividend to the shareholders, in terms of Schedule I of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). Accordingly, shareholders holding securities in demat mode are requested to update their Bank details with their depository participants. Shareholders holding securities in physical form may send a request updating their bank details to the company's Registrar and Transfer Agent.
9. Members holding shares in dematerialized form are requested to notify any change in their addresses, Bank details or e-mail address with their respective DP and those holding shares in physical form are requested to notify the RTA at the following address:

M/s. Integrated Registry Management Services Private Limited
 SEBI Registration No. INR000000544
 2nd Floor, "Kences Towers", No.1, Ramakrishna Street, North Usman Road, T Nagar, Chennai - 600 017
 e-mail ID: corpseiv@integratedindia.in
 Phone: 044 2814 0801-803; Fax: 044 2814 2479
10. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their respective DP. Further, in terms of SEBI circular dated April 20, 2018, the Company has sent reminder letters to individual shareholders for updating the details of PAN and Bank account details of persons holding shares in physical form with the Company's RTA.
11. Effective April 1, 2019, SEBI has disallowed listed companies from accepting requests for transfer of securities held in physical form, by amending the SEBI LODR. Members need to convert shares held in physical form to demat for effecting any transfer. Only requests for transmission and transposition in physical mode will be received by the Company / RTA.
12. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the RTA, for consolidation into a single folio. The share certificate(s) will be returned to the members after necessary endorsements.
13. Members holding shares in single name and physical form are advised to make nomination or change nomination in respect of their shareholding in the Company in the prescribed form to the RTA. The nomination form(s) can also be downloaded from the Company's website www.ranegroup.com.
14. Members / Proxies should bring the attendance slip duly filled in for attending the AGM along with their copy of the Annual Report.
15. Information pursuant to regulations 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) with respect of the Directors seeking appointment / re-appointment, as the case may be, at the AGM are furnished in the Annexure to this Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
16. All documents referred to this notice and explanatory statement are open for inspection at the registered office of the Company on all working days between 10:00 hrs (IST) and 17:00 hrs (IST) upto the date of the AGM.
17. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 (including amendments thereto) and SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-voting services.
 - i. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (**NSDL e-Voting System**).
 - ii. The facility for voting through polling paper shall be made available at the AGM for those members who have not cast their vote by 'remote e-voting'. The members who have cast their vote by 'remote e-voting' prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - iii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of 'remote e-voting' or voting at the AGM through poll.
 - iv. The 'remote e-voting' period commences on **July 22, 2019 (Monday) (09:00 hrs)** and ends on **July 24, 2019 (Wednesday) (17:00 hrs)**. During this period, members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of **July 18, 2019 (Thursday)**, may cast their vote by 'remote e-voting'. The 'remote e-voting' module shall be disabled by NSDL for voting thereafter.

Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

- v. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, i.e., **July 18, 2019 (Thursday)**.
- vi. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e., July 18, 2019 (Thursday), may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to the Company / RTA.
- vii. Mr. Balu Sridhar, Practicing Company Secretary (ICSI Membership no. FCS 5869), Partner, M/s. A.K. Jain & Associates, Company Secretaries, has been appointed as the Scrutinizer to scrutinize the 'remote e-voting' process and voting at the AGM, in a fair and transparent manner.
- viii. The Chairman shall, at the end of discussion on the resolutions on which voting is to be held at the AGM, allow voting with the assistance of Scrutinizer, by use of "Polling Paper" for all those members who are present at the AGM but have not cast their votes by availing the 'remote e-voting' facility.
- ix. The Scrutinizer shall after the conclusion of voting at the general meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through 'remote e-voting' in the presence of at least two witnesses who are not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- x. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.ranegroup.com and on the website of NSDL, immediately after the declaration of result by the Chairman or a person authorized by him in writing and be forwarded to the stock exchanges where the Company's shares are listed.

INSTRUCTIONS FOR 'REMOTE E-VOTING'

A. To Log-in to NSDL e-Voting website

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:

<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for 'NSDL e-services', i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to cast your vote electronically.

4. Your User ID details are given below:

For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
Members holding shares in physical form should enter Folio Number registered with the Company.

5. Your password details are given below:
 - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c. To retrieve your 'initial password'
 - i. If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your e-mail ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a. Click on "Forgot User Details / Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

- b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number / folio number, your PAN, your name and registered address.
 - d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.
- B. To cast your vote electronically on NSDL e-Voting system**
1. After successful login, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
 2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
 3. Select "EVEN" of company for which you wish to cast your vote.
 4. Now you are ready for e-Voting as the Voting page opens.
 5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
 6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
 8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
- C. General Guidelines for shareholders**
1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to evoting@akjainassociates.com with a copy marked to evoting@nsdl.co.in.
 2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
 3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.

(By order of the Board)
For **Rane Brake Lining Limited**

Chennai
May 22, 2019

Venkatraman
Secretary

Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 4 - To appoint Mr. Krishna Kumar Seshadri (DIN:00062582) as an Independent Director

The Board of Directors had based on recommendations of the Nomination and Remuneration Committee (NRC) appointed Mr. Krishna Kumar Seshadri (DIN:00062582) as an Additional Director (Independent category) pursuant to Sections 149, 150, 152 and 161 read with other relevant provisions of the Companies Act, 2013 (the 'Act'), effective from May 22, 2019. Mr. Krishna Kumar Seshadri holds office upto the date of the ensuing Fourteenth Annual General Meeting.

Mr. Krishna Kumar Seshadri holds a Bachelors in Engineering from Madras University, Masters in Engineering from Indian Institute of Science, Bangalore, and a Diploma in Business Management from IIM, Ahmedabad. He has an overall experience of more than 43 years in Automobile, Auto Component and consumer durable industries in companies like Tata Motors Ltd., Blow Plast Ltd., Anand Group and Rane Group. During his career, he has lead range of assignments including Design, Product Development and Manufacturing and held the positions of Plant Head / Business Head / Company Head in the relevant fields. He has also held profit

center responsibility for over 25 years. He also currently serves as an Independent Director of Rane Engine Valve Limited, a fellow subsidiary of the Company.

Considering his rich knowledge, experience, technical expertise and fulfillment of the various criteria for appointment as an Independent Director as specified in the Act, SEBI LODR, policies of the Company and based on the recommendations of the NRC, the Board of Directors recommends to the members that the appointment of Mr. Krishna Kumar Seshadri would be beneficial to the Company.

Mr. Krishna Kumar Seshadri is not disqualified from being appointed as a Director in terms of section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from him that he meets with the criteria of independence as prescribed both under Section 149(6) of the Act and provisions of SEBI LODR.

In the opinion of Board, Mr. Krishna Kumar Seshadri fulfils the conditions for appointment as an Independent Director as specified in the relevant provisions of the Act and SEBI LODR and he is independent of management of the Company.

Other information relating to his appointment in accordance with Secretarial Standard – SS-2 and Regulation 26(4) and 36(3) of SEBI LODR is annexed to the Notice.

The terms and conditions of appointment as an Independent Director is available for inspection by members at the registered office of the Company during the working hours up to the date of AGM and also on the investor section of website of the Company www.ranegroup.com.

Mr. Krishna Kumar Seshadri is interested in the resolution as it relates to his own appointment. None of the other Directors and KMP of the Company and their relatives are concerned or interested, financial or otherwise in this resolution, except to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the **ordinary resolution** as set out at item no. 4 of this notice for your approval

Item No. 5 - To approve under Regulation 17(6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the remuneration payable to Mr. L Ganesh (DIN:00012583), Chairman (Non-Executive Director) exceeding fifty percent of the total annual remuneration payable to all Non-Executive Directors

The members of the Company at the Thirteenth Annual General Meeting held on July 24, 2018, had approved payment of commission to Mr. L Ganesh, Chairman, a sum not exceeding 2% of the annual net profits of the Company, for a period of 3 years with effect from April 1, 2018 to March 31, 2021. The ordinary resolution was approved by members with 99.99% of votes cast in favour of the resolution.

In terms of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) as amended by SEBI (LODR) (Amendment) Regulations, 2018, effective from April 1, 2019, approval of shareholders by way of special resolution is required to be obtained every year in which the annual remuneration payable to a single non-executive director exceeds fifty percent of the total annual remuneration paid / payable to all Non-Executive Directors.

For the financial year ended March 31, 2019, Mr. L Ganesh is entitled to receive a commission of ₹1,00,00,000/-, being 2% (approx.) of the net profits calculated in accordance with Section 198 of the Companies Act, 2013. In view of the Non-Executive Directors being entitled only for sitting fees, the said commission, together with sitting fees exceeds 50% (fifty percent) of the total annual remuneration paid to all the Non-Executive Directors of the Company for the said financial year.

In order to comply with requirement under Regulation 17(6)(ca) of SEBI LODR, approval of the members is being sought by way of a special resolution, as set out in item no.5 of this notice.

Mr. L Ganesh is concerned or interested in the resolution. Mr. L Lakshman being his relative, is deemed to be interested in the resolution. None of the other Directors and Key Managerial Personnel (KMP) of the Company and their relatives is concerned or interested, financial or otherwise, in the above resolutions except to the extent of their shareholding, if any, in the Company.

The Board of Directors recommends the **special resolution** as set out at item no. 5 of this notice for your approval.

(By order of the Board)
For **Rane Brake Lining Limited**

Chennai
May 22, 2019

Venkatraman
Secretary

Registered Office:
Rane Brake Lining Limited
"Maithri", No. 132, Cathedral Road,
Chennai - 600 086
CIN: L63011TN2004PLC054948
www.ranegroup.com

Annexure to the Notice dated May 22, 2019

Information about Directors seeking re-appointment / appointment vide resolutions in item no. 3 and 4 of the notice convening the Fourteenth Annual General Meeting in compliance with Regulation 26(4), 36(3) of SEBI LODR and Secretarial Standard on General Meeting (SS-2) as on May 22, 2019.

Name of the Director	Mr. Krishna Kumar Seshadri	Mr. Harish Lakshman
Father's Name	Mr. Seshadri Pudugramam Krishnaiyer	Mr. L Lakshman
Director Identification Number (DIN)	00062582	00012602
Age (in years)	73	45
Date of Birth	May 10, 1946	February 12, 1974
Educational Qualifications	B.E, M.E. & Diploma in Business Management, IIM - A	B.E. – BITS Pilani, MSM - Purdue University, USA
Experience	Mr. S Krishna Kumar has 43 years of experience in Automobile, Auto Component and consumer durable industries. He is presently an independent consultant and a certified business and executive coach and a member of Coaching Foundation of India.	Mr. Harish Lakshman has over 24 years of industrial experience and has held various positions in the areas of Marketing, Operations and Business Development Overseas. He currently spearheads the future growth plan for Rane Group. He serves as Vice-Chairman of Rane Engine Valve Limited, Rane Holdings Limited and Rane (Madras) Limited.
Date of first appointment on the Board	Being appointed in the 1 st term as Independent Director under Companies Act 2013, w.e.f. May 22, 2019.	July 22, 2008
Terms and Conditions of appointment	Appointment as an Independent Director.	Re-appointed as a Non-Executive Director, liable to retire by rotation.
Last drawn remuneration	Not applicable	Sitting fee paid for FY 2018-19 - ₹2,15,000/-
Remuneration sought to be paid	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.	No approval is being sought for payment of remuneration. Eligible for sitting fee for attending meetings of the Board and Committees of which he is a member.
Relationship with other Directors / Manager / KMP	-	Son of Mr. L Lakshman and brother of Mr. Vinay Lakshman.

Other Directorships	Director Rane Engine Valve Limited	Chairman 1. Rane t4u Private Limited Vice Chairman 1. Rane (Madras) Limited 2. Rane Holdings Limited 3. Rane Engine Valve Limited Director 1. Rane TRW Steering Systems Private Limited 2. Rane NSK Steering Systems Private Limited 3. Oriental Hotels Limited 4. Young Presidents Organisation (Chennai Chapter) 5. Savithur Enterprises Private Limited 6. HL Hill Station Properties Private Limited 7. Rane Holdings America Inc., USA 8. Rane Precision Die Casting Inc., USA
Committee Memberships in other Boards	Member – Audit Rane Engine Valve Limited Member- Corporate Social Responsibility Rane Engine Valve Limited	Chairman – Stakeholders’ Relationship Rane Holdings Limited Member – Stakeholders’ Relationship Rane (Madras) Limited Member - Nomination and Remuneration Rane Holdings Limited
Number of meetings of the Board attended during the year	Not Applicable	Five (5)
Number of equity shares held (including joint holding, if any)	-	Hundred (100)

(By order of the Board)
For **Rane Brake Lining Limited**

Chennai
May 22, 2019

Venkatraman
Secretary

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ROUTE MAP TO AGM VENUE

