

## Annexure - H to the Report of the Board of Directors

**BUSINESS RESPONSIBILITY REPORT**

[Pursuant to Regulation 34(2)(f) of SEBI LODR Regulations, 2015]

**Section A: General information about the Company**

1.	Corporate Identity Number (CIN) of the Company:	L65993TN2004PLC052856
2.	Name of the Company:	Rane (Madras) Limited
3.	Registered address:	"Maithri", 132, Cathedral Road, Chennai - 600 086; Phone: 044 - 2811 2472
4.	Website:	<a href="http://www.ranegroup.com">www.ranegroup.com</a>
5.	e-mail ID:	<a href="mailto:investorservices@ranegroup.com">investorservices@ranegroup.com</a>
6.	Financial Year reported:	FY 2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	Components for the Transportation Industry NIC codes: Steering & Suspension linkages and gear products - 29301; and Other articles of aluminium - 2432
8.	List three key products/services that the Company manufactures / provides (as in balance sheet):	1. Steering and suspension linkages 2. Steering gear products 3. Other articles of aluminium
9.	Total number of locations where business activity is undertaken by the Company:  a) Number of International Locations (Provide details of major 5)  b) Number of National Locations	The total number of locations where business activities undertaken by the Company - 12 nos.  a) International locations - 1 no. Kentucky, USA b) National locations - 11 nos.  Plants: Chennai / Mysuru / Puducherry / Uttarakhand / Hyderabad/ Varanavasi  Depots: Pune / Jamshedpur / Jaipur / Jalandhar / Chennai
10.	Markets served by the Company - Local / State / National / International	The Company serves Local / State / National / International Markets

**Section B: Financial details of the Company**

1. Paid-up Capital: ₹12,55,38,910/-
2. Total Turnover: ₹1,055.59 crores
3. Total profit after taxes: ₹(24.43) crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): **Not Applicable**
5. List of activities in which expenditure in 4 above has been incurred:  
  
The Company's CSR vision is 'to be a socially and environmentally responsible corporate citizen'. The Company continues to focus on four thrust areas for its CSR activities, viz., Education, Healthcare, Environment and Community Development. During the year, the Company has implemented several projects primarily focusing on Education followed by Healthcare, which are in detail furnished in the annual report on CSR activities annexed to the report of the Board of Directors.

**Section C: Other details**

1. Does the Company have any Subsidiary Company/ Companies?  
  
Yes. The Company has 2 wholly owned overseas subsidiaries including one step down subsidiary. The Company is also a subsidiary of Rane Holdings Limited. The Company, its subsidiaries, holding company and fellow subsidiaries are collectively referred to as 'Rane Group of Companies'.
2. Do the Subsidiary Company / Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):  
  
Yes, Business Responsibility initiatives of the Company generally pursued across by manufacturing Companies of the Rane Group.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No. The other entities with which the Company does business with viz. suppliers, distributors etc. do not participate in the BR initiatives of the Company.

b) Details of the BR head:

#### Section D: BR information

##### 1. Details of Director / Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy / policies

DIN	Name	Designation
00012583	Mr. Ganesh Lakshminarayan	Chairman

Sl. No.	Particulars	Details
1.	DIN	NA
2.	Name	Ms. Gowri Kailasam
3.	Designation	Manager & President - Steering & Linkages Division
4.	Telephone number	044-28112472
5.	e-mail ID	<a href="mailto:gowri.kailasam@ranegroup.com">gowri.kailasam@ranegroup.com</a>

##### 2. Principle-wise (as per NVGs) BR Policy / policies

a) Details of compliance (Y / N)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
Do you have a policy/ policies for the principle	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the policy conform to any national / international standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indicate the link for the policy to be viewed online?	<a href="https://ranegroup.com/rane-madras-ltd-investors/#policies">https://ranegroup.com/rane-madras-ltd-investors/#policies</a>								
Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why (Tick up to 2 options)

Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environment	Public Policy	CSR	Customer Relations
The company has not understood the Principles									
The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
The company does not have financial or manpower resources available for the task				Not applicable					
It is planned to be done within next 6 months									
It is planned to be done within the next 1 year									
Any other reason (please specify)									

### 3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months / 3-6 months / Annually / more than 1 year.

On an annual basis the Company assesses the BR Report / performance

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently is it published?

Yes. The BR Report is published as part of this annual report and the same is available on the Company's website at [www.ranegroup.com](http://www.ranegroup.com)

Complaints primarily related to non-receipt of annual reports. The Stakeholders Relationship Committee (SRC) oversees the complaints and their resolution. There are no investor complaints pending unresolved at the end of the Financial Year 2019-20.

### Principle 2: Product Responsibility [Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle]

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities

The Company incorporates innovative designs for its products with an imperative to protect the environment, conserve natural resources for achieving sustainable economic growth. These high value designs are developed environmentally friendly material

- Light weighting ball joints
- Housing weight optimisation through Finite Element Analysis (FEA)
- HSU seal localisation with reduced weight

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company constantly works on projects to reduce the resource (energy, water, raw material, etc.) consumption. Some examples include:

- Achieved water positive in one of the plants through various water conservation techniques
- Enhanced usage of electricity from non-renewable energy sources which are environment friendly and helps in Co2 emission reduction

### Section E: Principle wise performance

#### Principle 1: Business Ethics [Businesses should conduct and govern themselves with ethics, transparency and accountability]

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?

Yes. The Code of Conduct (Rane Compass) covers all employees of the Company and other Rane Group Companies. Every Company within the Rane Group, viz., all subsidiaries and joint ventures at all locations, every employee of the Company including its Directors come within the scope of the COMPASS.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the FY 2019-20, the Company has received two (2) complaints from investors and has resolved all. The

- Design upgradation in machineries to convert into Energy efficient machines

- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company's supplier selection, assessment and evaluation process includes elements of sustainability. This includes initial supplier survey, continuous risk assessments and audits. Also, there is communication to suppliers on the Company's sustainability requirements. The Company has an environment policy and safety policy. The Company encourages the vendors to ensure compliance with these policies. It covers various issues like health of workers and safety measures.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company has taken adequate steps to procure goods from local and small vendors. The steps taken to improve the capability and capacity of local vendors include:

- Imparting training and supporting the suppliers for developing Quality Management Systems for improving the product quality, reducing the wastages and sustainable development
- Providing technical help to vendors for up-gradation of their equipment which has helped in enhancing the capacity and capability
- Communicating on periodic basis and creating joint action plans to meet the requirements
- Ensuring statutory compliance including non-deployment of child labour in the factory premises

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company ensures optimum use of resources and practices reduce, recycle and reuse principles. Across its operations, there are various initiatives that enable effective recycling of products and wastes and some of the initiatives practiced in this direction are explained hereunder:

- Water conservation - 100% sewage water is treated and recycled
- Returnable packaging implemented for customers thereby eliminating the requirement of single use carton boxes

- Rain water harvesting implemented across the plants to collect and recharge ground water levels

**Principle 3: Wellbeing of employees [Businesses should promote the wellbeing of all employees]**

1. Total number of employees: 2482
2. Total number of employees hired on temporary/contractual/casual basis: 1215
3. Number of permanent women employees: 46
4. Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognized by management: None
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable
7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour / forced labour / involuntary labour	-	-
2.	Sexual harassment	1	-
3.	Discriminatory employment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- a) Permanent Employees - 100%
- b) Permanent Women Employees - 100%
- c) Casual/Temporary / Contractual Employees - 100%
- d) Employees with Disabilities - Nil

Given the nature of operations of the Company, training is imparted for development of functional and behavioural skills and the training is provided to all the employees of the Company.

**Principle 4: Stakeholder engagement [Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised]**

1. Has the Company mapped its internal and external stakeholders? Yes / No: Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders? Yes / No: Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

The Company has both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. The Company supports various special initiatives to engage with disadvantaged, vulnerable and marginalised stakeholders by actively engaging with Rane Foundation, the CSR arm of the Rane group. For detailed discussion, please refer to Management Discussion and Analysis and annual report on CSR activities forming part of this annual report.

**Principle 5: Human Rights [Businesses should respect and promote human rights]**

1. Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures /Suppliers / Contractors / NGOs / Others?

Yes. The Rane Compass (which is Rane's Policy on Ethical Standards and Behaviour), Rane Whistle Blower Policy and Rane Policy on Prevention of Sexual Harassment of Women at Work Place cover various aspects of human rights and these policies extends to RML and all Rane Group Companies including its employees and contractors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the FY 2019-20, the Company has not received any complaints under the vigil mechanisms of the Company 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. The Company has received only one complaint reported under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The same has been resolved to the full satisfaction through an appropriate redressal mechanism by the management.

**Principle 6: Environment [Businesses should respect, protect, and make efforts to restore the environment]**

1. Does the policy relate to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others

The policy covers all Rane Group Companies with intent to help integrate sustainability aspects in the business strategies, its decisions and key work processes. The Company operations should not adversely affect the future of the society and its ecological balance

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/ N. If yes, please give hyperlink for webpage etc.:

Yes, the Company makes efforts to address global environmental issues such as reducing carbon footprint and ensuring sustainability across all operations. The Company constantly focuses its efforts on reduction of energy consumption, water conservation, improving green cover in the plants, etc.

3. Does the company identify and assess potential environmental risks? Y / N

Yes. Environmental risks are covered in the Company's principles that are based on ISO-14001 standards. Every manufacturing plant implements these standards. Periodic reviews are done on the steps taken to mitigate the potential risks identified

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company continues to work towards development and implementation of climate change mitigation projects mainly through energy saving projects, water saving, waste reduction & CO2 reduction under sustainability development. However, it does not have any registration for CDM projects

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, several initiatives on clean technology, renewable energy and sustainability development have been done. Some of these initiatives include:

- Factory construction provides for maximum use of natural lighting and ventilation
- Use of energy efficient induction lamps, LEDs in shop floor and office area
- Increased mix of renewable power such as Wind and Solar energy
- Projects implemented for energy conservation and reduction in consumables in the shop floor
- Replaced the plastic tumblers with stainless steel tumblers in cafeteria

6. Are the Emissions / waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The emissions / waste generated by the Company's plants are within the permissible limits as prescribed by CPCB / SPCB and compliance reports are submitted on a periodic basis.

7. Number of show cause/ legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year

The Company has not received any show cause / legal notices from CPCB / SPCB as on end of financial year

**Principle 7: Public Policy [Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner]**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - a) Madras Chamber of Commerce & Industry (MCCI)
  - b) Indo- Japan Chamber of Commerce and Industry
  - c) The Automotive Component Manufacturers Association of India (ACMA)
  - d) The Confederation of Indian Industry (CII)
2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Y/N; if Yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, representations have been made to chambers and associations connected to the Company and Rane group's business on various matters for improvement of regulatory policies to build a better, competitive and sustainable business environment.

**Principle 8: CSR [Businesses should support inclusive growth and equitable development]**

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If Yes, details thereof

Yes. The Rane Group of Companies primarily channelize their CSR initiatives through Rane Foundation. Through the Rane Foundation the Company has established Rane Polytechnic at Trichy. The institution offers quality technical education and sustainable development to the rural youth. Rane Foundation has established Rane Vidyalaya at Trichy. The school aims to provide a conducive learning environment to children and will develop qualified teachers and staff. For further details, please refer to the annual report on CSR activities forming part of this annual report.

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/ Government structures / any other organization?

The projects are undertaken primarily through Rane Foundation. However, the Company also undertakes projects on its own as well as working in partnership with specialist organisations. For further details, please refer to the annual report on CSR activities forming part of this annual report.

3. Have you done any impact assessment of your initiative?

The Company has financially supported the various CSR initiatives of Rane Foundation including establishment of Rane Vidyalaya (School project). The

Rane Polytechnic, established at Trichy in the year 2011 under the aegis of Rane Foundation has stepped into its ninth academic year. The institution was accredited by the National Board of Accreditation (NBA) for the Diploma in Mechanical Engineering program in 2017. Over the last four batches, 1087 students have completed their diploma program. In the current year, 188 students completed their diploma program. Over 90% of the students were campus placed. The institution endeavours to offer quality technical education and sustainable development to the rural youth.

Rane Foundation is embarking on its next major project, a school 'Rane Vidyalaya' in Trichy. The school provides quality education to children in rural neighbourhood. The institution aims to provide a conducive learning environment to children, develop well-qualified teachers and support staff for the continuous improvement, and recognize the diversity of talent amongst children by promoting extra-curricular activities. The school is located in Theerampalayam, Manachanallur Taluk, Trichy, will offer nursery and primary education to start with, and shall gradually scale to offer up to higher secondary education in due course of time. The School began functioning from the academic year 2018-19 with classes from Nursery to Class II and follows CBSE curriculum. Rane Vidyalaya is recognised by Directorate of School Education, Tamilnadu and has applied for affiliation with Central Board of Secondary Education (CBSE). It currently has a student strength of 200 as against a capacity of 240.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

Please refer the section on CSR activities of the annual report for further details

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

Please refer the section on CSR activities of the annual report for further details

**Principle 9: Customer Relations [Businesses should engage with and provide value to their customers and consumers in a responsible manner]**

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year

The Company has a robust system for addressing customer complaints. The complaints received are analysed, appropriate countermeasure is presented to customers and implemented and effectiveness is monitored. As at the end of the financial year, there were no pending customer complaints.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information)



The Company's products are predominantly supplied to OEM as per their requirements. The Company displays product requirements on packaging as per the requirements of OEM and consistent with applicable laws. For the aftermarket segment, the product details are mentioned as per rules made under Legal Metrology Act, 2009.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as at the end of financial year? If so, provide details thereof, in about 50 words or so.

No. There were no cases against the Company regarding unfair trade practices, irresponsible advertising and / or anti competitive behavior during the last five years that is pending.

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Customer response and customer satisfaction are one of the most important factors of any business. The Company engages with its customers at various platforms to understand their expectations. The Company obtains the customer feedback by engaging a third party agency to conduct surveys with key stakeholders in the customer organisation. The Company constantly communicates with customers and uses the data posted on the customer portal on a monthly / quarterly basis to evaluate the performance and take remedial actions. Customer Satisfaction trends are compiled, monitored and reviewed by top management on a periodic basis and also action plans are discussed with customers.