Registered Office:
" Maithri "
132, Cathedral Road,
Chennai 600 086.
India.
CIN : L63011TN2004PLC054948

Tel : 91 44 2811 2472
Fax : 91 44 2811 2449
URL : www.rane.co.in

Rane Brake Lining Limited

RBL/SE/ /2016-17

June 25, 2016

BSE Limited (BSE) Corporate Relationship Department, 1st Floor, New Trading Ring, Phiroze Jeejeebhoy Towers, Dalal Street, **Mumbai 400 001**	Listing Department **National Stock Exchange of India Ltd. (NSE)** Exchange Plaza, 5th Floor, Plot No.C/1, 'G' Block, Bandra Kurla Complex Bandra (E), **Mumbai - 400 051**.
Code No. 532987	**Code : RBL**

Dear Sir / Madam,

Sub: Annual Report for 11th Annual General Meeting

Copy of the Annual Report of the 11th Annual General Meeting (AGM) being sent to the shareholders of the Company, is enclosed. The Annual Report of 11th AGM is also available on the website of the company at www.rane.co.in.

We request you to take the above on record as compliance with relevant regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and acknowledge receipt.

Thanking you.

Yours faithfully,
For **Rane Brake Lining Limited**

RANE BRAKE LINING LIMITED "MAITHRI" 132 CATHEDRAL ROAD CHENNAI-600 086

Venkatraman
Secretary
Encl: a/a



Rane Brake Lining Limited

11th Annual Report 2015-16

Rane
Expanding Horizons

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Caution regarding forward-looking statements

In this annual report, we have disclosed some forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainities 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.

Dream. Design. Deliver.



As the world becomes One, it is in midst of paradigm shifts. Change and disruptions are becoming norms than exceptions. Financial gyrations in one country can have serious consequences in another. An economic slowdown sneeze in two-three countries can give major economies a serious cold. Technology innovations can change the course of the same or another industry. The era of isolation is long over.

No other industry is witnessing these rapid changes as the Auto industry. Electric cars, self-driving cars, new ownership models, the blurring lines between technology and auto companies... these are few of the disruptions causing upheavals in the auto and auto ancillary industries. But for the brave hearts and the prepared, these disruptions are also serious opportunities not to be missed.

We believe in the untapped rewards the disruption will bring to the industry. We think that the only way to surf the waves of the oncoming chaos is to map the future and start exploring ways to chart it. As a first step, we have created a blueprint - Vision 2020, for the company to find new profitable spaces and consolidate existing market leadership. The essence of the new vision rests on **3D – DREAM, DESIGN and DELIVER**

Dream...
a world-class enterprise

Design...
transport solutions for tomorrow

Deliver...
sustained accelerated value

The World of Rane Brake Lining

We are engaged in the manufacturing and marketing of auto components for transportation industry. We offer a range of products, such as brake linings, disc pads, clutch facings, clutch buttons, brake shoes and railway brake blocks. Our products are used in passenger cars, utility vehicles, commercial vehicles, two wheelers, windmills, aircrafts and railways. We also supply composite brake blocks to Indian Railways, with presence in passenger, electrical multiple unit (EMU), freight, locomotive and metro rail.



VISION

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

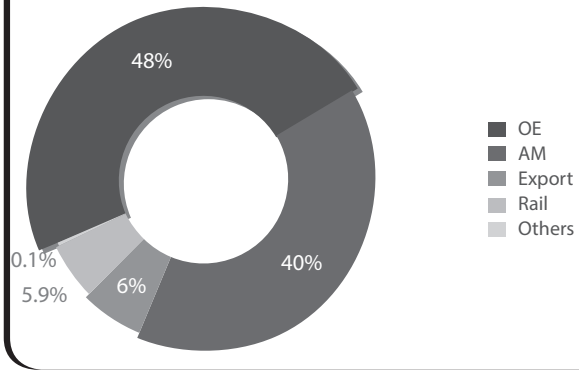
Manufacturing Plants

Locations	Products
Chennai	Brake linings, Disc pads, Clutch facings and Composite brake blocks
Hyderabad	Brake linings, Sintered clutch buttons, Composite brake blocks
Puducherry	Disc pads and Composite brake blocks
Trichy	Disc pads and Brake linings

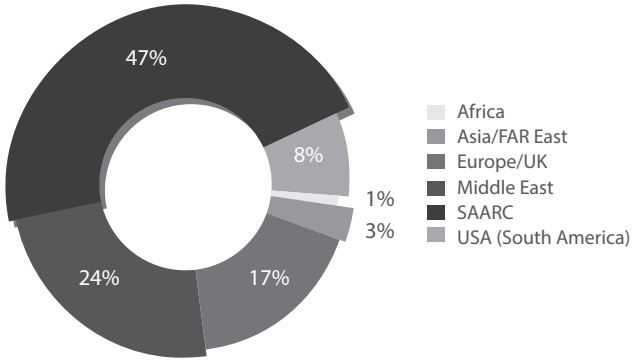
Quality Accreditation

ISO 9000:2008	Quality Management
TS16949:2009	Quality Management
OHSAS 18001:2007	Occupational Health and Safety Management
ISO 14001:2004	Environmental Management
Deming Prize	Total Quality Management (TQM)
Deming Grand Prize	Excellence in TQM

Revenue mix by market segment (FY16)



Export Revenue mix by geography (FY16)



Key Customers

OEM

ASHOK LEYLAND
BHARATBENZ
DAIMLER
HONDA
Mahindra
MARUTI SUZUKI
NISSAN
RENAULT
SKODA AUTO
TATA MOTORS
TOYOTA
VW

Tier-1

Brakes India Private Limited
CHASSIS BRAKES INTERNATIONAL
brembo
ENDURANCE Complete Solutions
Mando

Others

JMA
SPEED-A-WAY PRIVATE LTD. PARTS AND COMPONENTS MARKETING SPECIALISTS
GO
PARTAP SINGH & SONS

Milestones

1964: Incorporation in collaboration with Small & Parkes

1967: Started commercial production of Brake Linings / Clutch Facings at Chennai Plant

1973: Establishment of R&D Centre

1978: Launched Rail brake blocks for EMU

1985: License with Nisshinbo, Japan

1986: Started production for Disc Brake Pad

1995: Entered into equity partnership with Nisshinbo, Japan

2000: Launched TQM

2003: Won Deming Prize

2008: Established world class manufacturing facility at Trichy

2009: Enhanced equity participation with Nisshinbo, Japan

2010: Expansion of SFM capacity at Hyderabad Plant / CV Brake Lining facility at Trichy Plant

2013: Won Deming Grand Prize

2014: Licence and Technical Assistance agreement with TMD Friction (Subsidiary of Nisshinbo)

Financial Highlights

Operational Performance

(₹ in Cr)

Particulars	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
Total Income	451.64	418.49	386.51	379.68	363.52	308.32	237.68	193.15	184.27
EBITDA	57.65	47.56	42.61	36.08	43.76	36.49	30.20	21.25	23.29
PBT	35.48	20.60	16.73	10.92	21.90	19.67	14.93	4.32	11.19
PAT	25.76	16.11	17.21	9.10	16.19	15.29	10.09	2.89	8.94

Balance Sheet Summary**

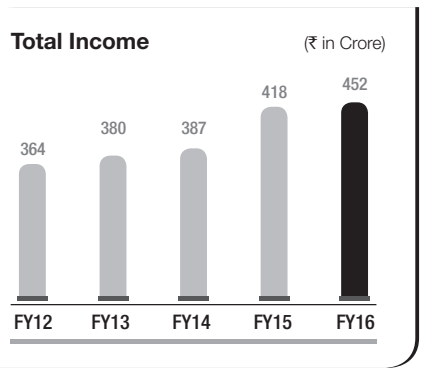
(₹ in Cr)

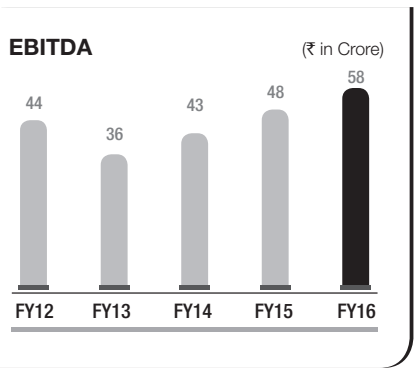
Particulars	FY16	FY15	FY14	FY13	FY12	FY11
Equity Share Capital	7.91	7.91	7.91	7.91	7.91	7.91
Shareholders' Funds	137.93	121.71	112.27	102.01	96.59	86.84
Non-Current Liabilities	14.34	23.83	39.16	56.63	59.55	46.79
Current Liabilities	103.61	109.55	116.51	102.87	95.60	73.22
Non-Current Assets	113.85	129.50	143.14	148.44	132.28	115.14
Current Assets	142.04	125.60	124.81	113.07	119.46	91.71

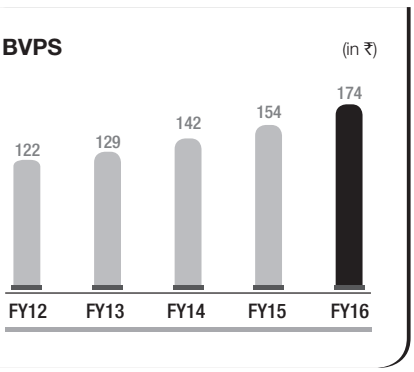
** Pertains to revised Schedule VI to Companies Act, 1956 / Schedule III to Companies Act, 2013 applicable years only

Ratios

Particulars	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08
ROCE (%)	21.90	13.82	12.10	9.31	16.41	16.72	14.49	7.81	9.71
RONW (%)	19.84	13.77	16.07	9.16	17.65	18.76	14.12	4.43	9.91
Earning per Share (₹)	32.54	20.36	21.76	11.50	20.45	19.31	12.78	4.01	12.39
Dividend (%)	100	70	75	40	70	50	45	20	40
Book value per share (₹)	174.27	153.77	141.84	128.88	122.03	109.72	96.50	92.49	88.38









Board of Directors

L GANESH
Chairman
VINAY LAKSHMAN
Managing Director
L LAKSHMAN
S A MURALI PRASAD
ANIL KUMAR V EPUR
S SANDILYA
SURESH CHANDRA GUPTA
RANJANA KUMAR
HARISH LAKSHMAN
KAZUHIRO IWATA
(Nominee of Nisshinbo Holdings Inc., Japan)

Audit Committee

S SANDILYA
Chairman
S A MURALI PRASAD
L GANESH
SURESH CHANDRA GUPTA

Stakeholders' Relationship Committee

HARISH LAKSHMAN
Chairman
ANIL KUMAR V EPUR
L GANESH

Nomination and Remuneration Committee

S SANDILYA
Chairman
S A MURALI PRASAD
L GANESH
SURESH CHANDRA GUPTA

Corporate Social Responsibility Committee

L LAKSHMAN
Chairman
L GANESH
SURESH CHANDRA GUPTA

Vice President - Finance / Chief Financial Officer

M A P SRIDHAR KUMAR

Secretary

VENKATRAMAN

Listing of Shares on

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

Statutory Auditors

VARMA & VARMA
Chartered Accountants
105, "Sreela Terrace" First Main Road
Gandhi Nagar, Adyar
Chennai - 600 020

Secretarial Auditors

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

Bankers

HDFC Bank Limited
IDBI Bank Limited
Standard Chartered Bank
The Hongkong and Shanghai Banking Corporation
State Bank of India
YES Bank Limited

Registered Office

"MAITHRI"
132, Cathedral Road
Chennai 600 086
Phone : 044-28112472
Fax : 044-28112449
Email : investorservices@rane.co.in

Plants

1) Plot No. 30, Industrial Estate
Ambattur, Chennai 600 058
Tamil Nadu
2) Pregnapur Village
Gajwel Mandal
Medak 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

Registrar and Transfer Agent

Integrated Enterprises (India) Limited
II Floor, "Kences Towers"
No 1 Ramakrishna Street
North Usman Road
T Nagar, Chennai 600 017
Ph: 044-28140801-03
E-mail: corpserv@integratedindia.in

Report of the Board of Directors

Your Directors have pleasure in presenting the Eleventh (11th) Annual Report together with the accounts for the year ended March 31, 2016 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:

(₹ Crores)

Particulars	2015-16	2014-15
Sales and Operating Revenues	448.42	416.41
Other Income	3.22	2.08
Profit before tax (PBT)	35.48	20.60
Provision for Tax	9.72	4.49
Profit after tax (PAT)	25.76	16.11
Surplus brought forward	6.67	46.44
Profit available for appropriation	32.43	62.55

Key performance indicators, operational performance and balance sheet summary are furnished in page no 4 of this annual report.

The Sales and Other Operating Revenue grew by 8%. The Profit before tax improved by 72% over the previous year. Earnings per share for the year 2015-16 was ₹ 32.54 as against ₹ 20.36 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

During the year 2015-16, the board of directors declared an interim dividend of 100% (i.e., ₹10.00 per share) on the equity share capital on March 10, 2016. The interim dividend was paid on March 23, 2016 to all the eligible shareholders whose name appeared in the registered of members of the Company as on March 18, 2016 (being the Record Date) fixed for this purpose. In view of this, the board did not recommend any final dividend for the year ended March 31, 2016.

After transfer of ₹ 13.37 crores to the general reserve, ₹ 9.53 crores has been retained as surplus in the Profit and Loss Account.

1.3 Management Discussion & Analysis

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

2. Board of Directors

2.1 Composition

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

During the year, Mr. Vinay Lakshman was co-opted to the Board as an additional director with effect from October 1, 2015. The Board has, subject to the approval of shareholders, appointed Mr. Vinay Lakshman as Managing Director for a period of three years, viz., from October 1, 2015 to September 30, 2018.

The terms and conditions of appointment of independent directors have been disclosed on the website of the Company and available at http://rane.co.in/pdf/investors/rbl/rbltermsid.pdf

All directors have affirmed compliance with the Code of Conduct of the Company. The independent directors have affirmed that they satisfy the criteria laid down under section 149(6) of the Companies Act, 2013 (Act) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

2.2 Retirement by rotation

At the ensuing Annual General Meeting (AGM), Mr. Harish Lakshman (DIN 00012602), retires by rotation and being eligible, offers himself for re-appointment. The notice convening the AGM includes the proposal for his re-appointment as director.

2.3 Board Meetings

A calendar of meetings is prepared and circulated in advance to the directors. During the year, five (5) Board Meetings were convened and held, the details of which are given in the Corporate Governance Report. The intervening period between two consecutive meetings was less than 120 days.

2.4 Meeting of Independent Directors

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

3. Board and Management

3.1 Board evaluation

During the year, a formal process for annual evaluation of performance of Board, its committees and directors was carried out as per the criteria laid down by the Nomination and Remuneration Committee, pursuant to the provisions of the Companies Act, 2013 (CA 2013) and clause 49 of the listing agreement as applicable at that time.

The criteria for evaluation of board and its committees were founded on the structure, composition, board-management relationship, effectiveness in terms of roles and responsibilities and processes encompassing the information flow and functioning. The guiding standards for the assessment of performance of directors (including the independent directors) were their attendance and participation at board meetings, sharing of their relevant domain expertise, networking in other forums, their strategic inputs and demonstration towards governance compliances.

For evaluation of performance of the Chairman additional aspects like institutional image building, providing guidance on strategy and performance, maintaining an effective and healthy relationship between the board and the management were taken into consideration.

The evaluation was carried out through a structured methodology approved by the Nomination and Remuneration Committee after ensuring that the aspects under each of the laid down criteria are comprehensive and commensurate with the size of the board and the Company.

3.2 Familiarisation program for independent directors

The familiarisation program for independent directors and details of familiarisation program for independent directors has been put up on the website and available at http://rane.co.in/ranebrakelining/rblinvestors.html

3.3. Key Managerial Personnel

Mr. Vinay Lakshman, Managing Director (MD), Mr. M A P Sridhar Kumar, Vice President – Finance & Chief Financial Officer (CFO) and Mr. Venkatraman, Secretary hold the office of Key Managerial Personnel within the meaning of Section 2(51) of the Companies Act, 2013. Mr. P S Rao, Manager, retired from the services effective September 30, 2015.

3.4 Remuneration policy

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

4. Audit

4.1 Audit Committee

In terms of the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the listing agreement / SEBI LODR, the Audit Committee of the Board acts in accordance with terms of reference prescribed therein. Detailed disclosure on compositions, terms of reference and meetings of the Audit Committee are furnished in the Corporate Governance Report.

4.2 Statutory Auditors

M/s. Varma & Varma were appointed as Statutory Auditors at the ninth Annual General Meeting (AGM) held on July 22, 2014, for a period of three years i.e., until the conclusion of the twelfth AGM. Their appointment is however, subject to ratification by members at every AGM.

The Company has received letter from Statutory Auditors to the effect that their appointment for 2016-17 if ratified, would be within the prescribed limits and that they do not suffer from any disqualification under Section 141 of the Companies Act, 2013 and the rules made thereunder. Statutory Auditors have also submitted the peer review certificate issued to them by The Institute of Chartered Accountants of India. The statutory auditors report to the members for the year ended March 31, 2016 does not contain any qualification, reservation, adverse remark or disclaimer.

During the year under review, the Auditors have not reported any matter under Section 143 (12) of the Act and therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

4.3 Cost Audit

Cost audit is not applicable to the Company as per the threshold limits prescribed under Companies (Cost Records and Audit) Rules, 2014.

4.4 Secretarial Auditors

The Company had appointed M/s. S Krishnamurthy & Co., Company Secretaries in practice, to undertake the Secretarial Audit of the Company pursuant to the provisions of Section 204 of the Companies Act, 2013 and the rules, thereunder. The report on the Secretarial Audit carried out for the year 2015-16 is annexed herewith as **'Annexure C'.** The secretarial audit report does not contain any qualification, reservation, adverse remark or disclaimer.

4.5 Internal Auditors

The Company continues to engage M/s. Capri Assurance and Advisory Servicies, a firm of independent assurance service professionals, as 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 are taken as per the directions of Audit Committee on a regular basis to improve efficiency in operations.

5. Directors' responsibility statement

In terms of Section 134(3)(c) read with section 134(5) of the Companies Act, 2013, the directors, confirm that:

i. in the preparation of the financial statements for the financial year 2015-16, the applicable accounting standards had been followed and there were no material departures;

ii. 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;

iii. 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;

iv. they had prepared the financial statements for the financial year on a 'going concern' basis;

v. 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

vi. 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 were no materially significant related party transactions made by the Company with Related Parties which might have potential conflict with the interest of the Company at large.

All Related Party Transactions were placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee was obtained for the transactions which were foreseen and repetitive in nature. The transactions entered into pursuant to the omnibus approval so granted were 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 has been uploaded on the Company's website (http://rane.co.in/pdf/policies/rblrpt.pdf). 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 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 of: (a) Education (b) Healthcare (c) Community Development and (d) Environment.

The CSR activities undertaken by the Company were 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, an independent director, as members. The Annual Report on CSR activities carried out during the year 2015-16 has been annexed as **'Annexure D'.** The CSR policy of the Company is available in the Company's website (http://www.rane.co.in/pdf/policies/rblcsr.pdf)

8. Fixed Deposits

The deposit outstanding as on March 31, 2016 amounted to Rs. 0.91 crores. All deposits that matured during the year were repaid. The Company has not defaulted in repayment of any fixed deposits or any interest thereon.

The Company had discontinued accepting or renewing the fixed deposits with effect from April 1, 2014 and has not accepted deposits falling within the ambit of Chapter V, Section 73 of the Companies Act, 2013. Based on the application made by the Company in terms of Section 74 (2) Company Law Board (CLB) vide its order dated September 16, 2015 granted time to the Company to repay the deposits on their respective maturity dates in accordance with the terms of acceptance of such deposits or March 31, 2017, whichever is earlier.

9. Energy conservation, technology absorption and foreign exchange earnings and outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith as **'Annexure E'.**

10. 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 Annual Report is annexed herewith as **'Annexure F'.**

11. Corporate Governance Report

Your Company has complied with the corporate governance requirements as stipulated under clause 49 of the listing agreement / Regulation 34 of SEBI LODR. Detailed report on the compliance and a certificate by the Statutory Auditors forms part of this report as **'Annexure G'.**

12. Other disclosures

i) 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.

ii) The Internal control systems and adequacy has been discussed in detail in the Management Discussion and Analysis annexed to the Directors Report.

iii) 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.

iv) The details forming part of the extract of the Annual Return under Section 92(3) of the Companies Act, 2013 in form MGT-9 is annexed herewith as **'Annexure H'.**

v) 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.

vi) 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 mechanism across the Company for reporting complaints of this nature. There was no case reported during the year under review through this mechanism.

For and on behalf of the Board
L GANESH
Chairman

Chennai
May 23, 2016

VINAY LAKSHMAN
Managing Director

Annexure A to the Report of the Board of Directors

Management Discussion and Analysis

Overview

The Company 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, utility vehicles, commercial vehicles, two wheelers and railways. The Company operates predominantly in a single reportable segment viz., components for transportation industry.

Industry Structure, Developments and Performance

Overall vehicle production grew by 2% in volume. M&HCV, MUV and LCV have all registered double digit growth, while Passenger Cars, MPV and 2W had shown a single digit growth. However SCV, FT and 3W numbers declined over previous year.

Industry Growth

During the year under review, the volume growth in automotive industry is as given below:-

Industry Segment (Production figures)	Growth in % (YoY change)	
Vehicles	2015-16	2014-15
Passenger Cars (PC)	4	5
Utility Vehicles (MUV)	14	10
Vans (MPV)	6	-12
Small Commercial Vehicles (SCV)	-10	-20
Light Commercial Vehicles (LCV)	10	-4
Medium & Heavy Commercial Vehicles (M& HCV)	27	21
3 – Wheelers (3W)	-2	14
2 – Wheelers (2W)	2	10
Farm Tractors (FT)	-7	-13

Source: Society of Indian Automobile Manufacturers

Domestic Market

Market has witnessed growth in selected segments. Overall turnaround due to positive sentiments yet to crystalize. The Company experienced 8% growth in the domestic market across all the products.

The break-up of the sales by product lines is given below:

(₹ in crores)

Products	2015-16	2014-15	Growth in %
Brake linings	190.23	176.54	8
Disc Pads	184.26	164.19	12
Other Automotive Parts	46.54	47.58	-2
Total	421.03	388.31	8

The Company's overall OE sales registered a healthy growth of 10% and Aftermarket and Railways registered a growth of 7% and 5% respectively during the financial year 2015-16.

(₹ in crores)

Market	2015-16	2014-15	Growth in %
OEM	215.41	195.83	10
Aftermarket	179.37	167.34	7
Railway	26.25	25.13	5
Total	421.03	388.31	8

Exports

The exports for the year was ₹ 26.87 crores, a marginal decline of 3% compared to the previous year exports of ₹ 27.58 crores due to volatile economy and oil prices in the Middle East.

Operational and Financial Performance

Financial Review

The Company achieved a turnover (net sales) of ₹ 447.90 crores, a growth of 8% over the previous year. The profit before tax was ₹ 35.48 crores registering an increase of 72% over the previous year with new products generating 12% (i.e., ₹ 52.04 crores) of the revenues. This was achieved due to the special attention towards cost reduction initiatives and softening of input material costs.

Operations and Manufacturing Review

New product launches in both OE and Aftermarket, sustenance of strategic saving initiatives, manufacturing process improvements in shop floor on yield with product mix helped in mitigating raw material cost. During the financial year weakening of Japanese yen helped in reducing overall material cost.

The Company, being an energy intensive unit, continues to have special focus on energy saving. Best practices at each plant horizontally deployed to other units and focused initiatives taken to have more green energy.

A special cross functional team on various cost reduction initiatives has helped to contain cost increases during the year.

Pursuit of business excellence

Post 'Deming Grand Prize', the Company has taken specific initiatives to further strengthen the best practices and march towards 'Profitable growth decade', new concept of 'Business Excellence Model' put in place. Focus on Innovation, Technology and HR practices have helped in achieving global best standards and result not only into cost effective quality product but also attaining profitable growth.

Customer focus and adoption of best practices across all locations helped the Company win the following awards during the year:

(i) Customer awards - Award for Consistent Quality and Award for New Parts Development.

(ii) Two gold awards – National level convention at Pune by ACMA – Quality and Innovation categories.

(iii) Gold certificate from India Manufacturing Excellence Award conducted by The Economic Times in partnership with Frost & Sullivan (F&S).

(iv) Award for Energy Excellence from CII for best energy efficient unit.

(v) Various Gold and other Excellency awards on Quality and Productivity related matters from QCFI, ACMA and other reputed organisations.

Outlook

The new government has communicated a strong message of 'Make in India' as its theme to drive growth. However, the pace is yet to gain momentum to convert the same into industrial growth. The Company being a domestic market leader and with a focus towards enhancing market share, its strategies are more towards cost effective and enhanced qualitative product development to meet the demands of OEMs. The Company would leverage its own as well as the collaborator's strength to ensure state of art technology for applications in new generation vehicles. Further, extension of support in low steel technology by collaborator, the Company is more confident in enhancing geographical spread covering vide varieties. Focus on expanded product range in aftermarket across markets is gaining further momentum to achieve our profitable growth objective.

Opportunities and Threats

Given the positive sentiments about Indian economy across the Globe and favourable GDP numbers reflects signs of further possible growth in Automobile industry. Overall economic growth resultant increased per capita disposable income come to reality based on focused development of infrastructure facilities by way of paving faster clearances for major projects.

The Company's main areas of strength are:

- State of art R&D and manufacturing facilities
- Operational excellence
- Formulation development
- Preferred supplier of OEMs
- Strong distribution network

The main threats to which auto component industry is exposed to are:-

- Unceasing cost reduction demand from OEMs imposing pressure on operating margins.
- Volatility of commodity prices affecting the input costs structure.
- Dumping from neighboring countries.
- Weak economic expansion in the developed countries.

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 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.

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 its 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 the internal audit process every quarter. The overall re-assessment of risks at company level is carried out and presented to the Board of Directors once in two years for their review.

Human Resource Development and Industrial Relations

The Company continued to focus on aligning the people development processes to the strategic initiatives of the group and creating institutional mechanisms to fulfil the employer brand promise.

People, Processes and Policies

Major policy initiatives during the year include introduction of performance pay for senior management to strengthen the high performance culture, created internal job posting portal to facilitate employees' access to opportunities across the group, and guidelines on social media presence for employees.

Leadership Development

In continuation with our efforts towards building leadership pipeline, Leadership Boot Camp and Executive Leadership Development programs were launched and the implementation of High Potential Leadership Development program was further strengthened, which was rolled-out in the previous year.

Leadership Boot Camp – Graduate Engineer Trainee (GET) Connect

It is a key block of our leadership framework that extensively focuses on strengthening the entry level talent for swift assimilation and performance. The objectives of the GET Connect program are to provide GETs with a holistic view of Rane, build necessary skills to be effective on the job and establish valuable connections with peers, recent graduates and experienced professionals across the group. During the year, 5 trainees were part of this program.

Executive Leadership Development (ELD)

ELD focuses on furthering leadership development for functional / operational leadership. ELD is designed to enhance readiness of leaders for larger roles & responsibilities, handling multiple functions, job rotations to other businesses. During the year, 4 executives participated in this program. The outcome envisaged is a significant group wide enhancement of leadership capacity and capability that translates into winning teams and performances.

Long term wage settlements with employees union were signed in two of the plants during the year. The industrial relations were generally cordial in all the plants.

Cautionary Statement

The information and opinion expressed in this report may contain certain forward-looking statements, which the management believe 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

Policy on Appointment and Remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

The policy on criteria for appointment and remuneration of Directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) are as follows:

Criteria for Appointment

The appointment, re-appointment, determining qualifications, positive attributes and independence of a director are based on the following criteria:

- Academic accomplishments
- Professional experience
- Experience in other boards
- Industry relevance and experience
- Technical / functional domain expertise
- Diversity
- Global exposure
- Governance experience
- Professional network
- Association with professional forums / academic institutions
- Independence
- Innovation
- Cultural fit

The appointment of KMPs and SMPs are based on the following criteria:

- Possession of relevant educational qualifications and certifications
- Possession of the functional / domain competencies at appropriate level as assessed by the selection panel
- Evidence of required leadership competencies as per the leadership competency model, as assessed by the selection panel
- Clear background verification report
- Reference check inputs

Criteria for Remuneration

The Company recognizes that compensation is a strategic lever in the achievement of vision and goals. The compensation philosophy is designed to attract, motivate and retain talented employees who drive the company's success and it 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.

The Nomination and Remuneration Committee recommends policy on the remuneration of Directors, KMP and Senior Management. The approval of shareholders is obtained, wherever necessary.

Non-Executive Directors

Non-Executive Directors are entitled to receive remuneration by way of fees for attending the meetings of the Board or Committee thereof, within the overall limits prescribed under the Companies Act, 2013 and rules thereunder.

A Non-Executive Chairman may receive commission within the overall limits prescribed under the Companies Act, 2013 and rules thereunder, if any, approved by the shareholders and the Board on such terms and conditions, taking into consideration the overall performance of the Company and the contributions of Chairman.

Executive Directors (Managing Director / Whole Time Directors), Chief Executive Officers (CEOs) and Manager under Companies Act, 2013) Key Managerial Personnel (KMP) and Senior Management Personnel (SMP)

Executive Directors are entitled to receive remuneration as approved by the shareholders and the Board and subject to the overall limits prescribed under the Companies Act, 2013 or rules thereunder.

The remuneration structure of the executive directors, CEO or Manager, KMPs and SMPs are broadly divided into fixed and variable component, which ensures that relationship of remuneration and performance benchmarks is clear, there exists a balance between fixed and incentive pay and the same reflects short and long-term performance objectives appropriate to the working of the company and its goals. The fixed compensation shall comprise of salary, allowances, perquisites, amenities and other components. The variable component of the remuneration is based on the performance of the individual in achieving superior operational results and to align employees with the organizational vision and growth strategies with a view to motivate them to achieve best results.

Annexure C to the Report of the Board of Directors

Secretarial Audit Report for the financial year ended March 31, 2016

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,
Rane Brake Lining Limited,
[CIN: L63011TN2004PLC054948]
"MAITHRI" No.132, Cathedral Road,
Chennai–600086

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **RANE BRAKE LINING LIMITED** (hereinafter called "the Company") **during the financial year from April 1, 2015 to March 31, 2016** ("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 our verification of the books, papers, minute books and other records maintained by the Company, forms and returns filed, compliance related action taken by the Company during the year as well as after March 31, 2016 but before the issue of this report and the information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

1. We hereby report that:

1.1. In our opinion, during the audit period covering the financial year ended on March 31, 2016, the Company has complied with the statutory provisions listed hereunder and also has proper 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.

1.2. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year according to the applicable provisions / clauses of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) Companies Act, 1956 and the rules made thereunder.

(iii) Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.

(iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 (upto May 14, 2015);

(c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (applicable from May 15, 2015);

(d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and

(f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (applicable from December 1, 2015);

(vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited.

(vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings (FEMA).

(viii) Secretarial Standards (SS-1) on "Meetings of the Board of Directors" and Secretarial Standards (SS-2) on "General Meetings" issued by The Institute of Company Secretaries of India (applicable from July 1, 2015).

1.3. During the period under review, and also considering the compliance related action taken by the Company after March 31, 2016 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information and explanations furnished to us:

(i) Complied with the applicable provisions/ clauses of the Acts, Rules, Regulations, and Agreements mentioned under paragraph 1.2 (i) to (vii) above; and

(ii) Generally complied with applicable Secretarial Standards mentioned under paragraph 1.2 (viii) above.

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

(i) The Company was not required to comply with the following laws / guidelines / regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms / returns under:

(a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;

(b) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(c) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

(e) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

(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 paragraph 1.2 above did not arise.

2. We further report that:

2.1 The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The change in composition of the Board of Directors that took place during the period under review was carried out in compliance with the provisions of the Act.

2.2 Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. Agenda and detailed notes on agenda were sent atleast seven days before the Board meetings with the exception of the following items, which were either circulated separately or at the meetings:

(i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts / results, unaudited financial results and connected papers; and

(ii) Additional subjects / information and supplementary notes.

Upto June 30, 2015 there was no statutory requirement to send the agenda and notes atleast seven days before the meeting. In respect of meetings held after July 1, 2015, consent of the Board for circulating them separately or at the meeting was duly obtained as required under the Secretarial Standards.

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. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

3 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 applicable laws, rules, regulations and guidelines; and

3.2 During the audit period there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

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

K. Sriram,
Partner.
Membership No: F6312
Certificate of Practice No:2215

Chennai
May 23, 2016

Annexure – A to Secretarial Audit Report of even date

To

The Members
Rane Brake Lining Limited,
"Maithri" 132, Cathedral Road,
Chennai - 600086

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended March 31, 2016 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, 2016 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion 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.
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,

K. Sriram,
Partner.
Membership No: F6312
Certificate of Practice No:2215

Chennai
May 23, 2016

Annexure D to the Report of the Board of Directors

Annual Report on CSR activities

(For financial year 2015-16)

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.

CSR vision of Rane Brake Lining Limited (RBL) is "to be a socially and environmentally responsible corporate citizen".

Overview of projects implemented during 2015-16:

RBL's primary focus continued on

1. Education –

   A. Institutional Development

   RBL was focussed on dissemination of knowledge. In this regard, contribution was made to Rane foundation and other Institutions including Government schools. RBL had also focused at primary government schools for up-liftment and hygienic environment at the respective locations.

   B. Vocational Development

   Women empowerment for underprivileged in the local villages with a focus to create a sustainable income and overall upkeep in their routines. In this regard, RBL had provided vocational training of tailoring and knitting.

   C. Awareness Programme

   Promoting health and sanitation for the community. Awareness programmes on health and sanitation, housekeeping and first aid were carried out for the local primary government schools and other segments.

2. Community Development – Amenities and Sanitation

   Focussed on providing Safe Drinking Water facility in Public Health Care centres and government primary schools.

3. Environment - Plantation Drives

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

The policy on CSR recommended by the CSR Committee approved and adopted by the Board of Directors is available on the website of the Company (web link: http://rane.co.in/pdf/policies/rblcsr.pdf)

2. The Composition of the CSR Committee

RBL had 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 was headed by the Board CSR Committee. The Board CSR Committee grants auxiliary power to the Working Committee of RBL to act on their behalf.

The members of the CSR committee are:

Board CSR committee	RBL 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 Vice President– Finance
Mr. S C Gupta Non-Executive & Independent Director	Mr. Govardhanan R DGM – Human Resource

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

(₹ in Crores)

Particulars	2012-13	2013-14	2014-15
Net profit for the year (PAT)	9.10	17.21	16.11
Adjusted Net profit (as per section 198)	11.94	17.75	20.90
Average Net profit		16.86	

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs. 0.34 Crores

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year: ₹ 0.34 Crores

(b) Amount unspent (if any) : Nil

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
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 to the reporting period**	**Amount spent : Direct or through implementing agency**
(1)	Institution Development	Education	1) Local 2) Thiruvallur (Tamil Nadu), Medak (Telangana), Sethurapati Trichy (Tamil Nadu)	0.27	0.28	0.28	Direct: 0.001 Indirect: Rane Foundation Rs.0.28
(2)	Vocational Training & Skill Development	Education	1) Local 2) Thiruvallur (Tamil Nadu), Medak (Telangana); Sethurapati Trichy (Tamil Nadu), Thirubuvanai (Pondicherry)	0.02	0.02	0.30	Direct
(3)	Providing amenities & Sanitation	Community Development	1) Local 2) Pillayarkuppam (Pondicherry) Medak (Telangana); Sethurapati Trichy (Tamil Nadu),	0.03	0.01	0.31	Direct
(4)	Plantation Drives	Environment	1) Local 2) Thiruvallur (Tamil Nadu), Medak (Telangana)	0.01	0.01	0.32	Direct
(5)	Institution Development	Education	1) Local 2) Thiruvallur (Tamil Nadu), Medak (Telangana), Sanyasikuppam (Pondicherry), Sethurapati Trichy (Tamil Nadu)	0.01	0.03	0.35	Direct
		Total		0.34	0.35	0.35	

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 that the projects go on smoothly as planned.

Chennai
May 23, 2016

VINAY LAKSHMAN
Managing Director

L LAKSHMAN
Chairman of the Committee

Annexure E 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 locations
- Specific study on high energy intensive operations – Corrective / improvement actions like incorporation of Actuators, Flow study and resultant lay out changes
- Reusing of waste heat
- Heating system – new process – Thyristor based heating control systems
- Continuing / ensuring consistency in past best practices

Utilising alternate sources of energy

- Solar energy – additional capacities planned for Hyderabad Unit

Capital investment in energy conservation equipment

- Air Compressor put in place at Chennai plant – Reciprocating to Screw compressor resulting usage of lower rated motor. Added Variable Frequency Drive (VFD) resulted into a good saving of overall savings in energy.
- Major projects dealt under special revenue category.

B. RESEARCH AND DEVELOPMENT (R & D)

Efforts towards technology absorption

The Company has a range of formulations and technology base to compete effectively in a wide range of domestic and overseas markets. The Company has been continuously benchmarking with the collaborator and similar industries towards absorbing best practices and continuous improvements in Product / Process Quality and Productivity areas. The Company has invested in new manufacturing technologies for disc pads and brake linings for Passenger Cars / Utility Vehicles to enhance product quality. The plants have continuously benchmarked and improved on the manufacturing systems

During the year, the Company launched new products for both Domestic and Export markets. Product range cater the needs of OEMs, OES and Aftermarket. The Company has developed a cost effective Dual core grade for CVBL for which patent is pending. Further the Company is in receipt of R 90 quality certification from European Union for CV disc pads.

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

Technology imported during the last 3 years reckoned from beginning of the financial year	Year of import	Has the technology been fully absorbed	Where technology not fully absorbed reason and future plan of action
Not applicable			

Research and Development expenditure incurred

(₹ in crores)

	Particulars	2015-16	2014-15
A	Capital expenditure	0.31	0.51
B	Recurring expenditure	8.64	9.51
C	Total	8.95	10.01
D	Total R & D expenses as a percentage of total turnover	1.99%	2.40%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in crores)

Foreign Exchange	2015-16	2014-15
Earnings	26.08	28.12
Outgo	68.55	71.43

For and on behalf of the Board

L GANESH
Chairman

Chennai
May 23, 2016

VINAY LAKSHMAN
Managing Director

Annexure F to the Report of the Board of Directors

Particulars of Directors, Key Managerial Personnel and Employees

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 2015-16 (In ₹ Crs.)	% increase / (decrease) of remuneration FY 2015-16	% increase / (decrease) in PBT for FY 2015-16	Ratio of remuneration to median remuneration of employees
Mr. L Ganesh	Non-Executive Chairman	0.65	197%	72%	18
Key Managerial Personnel					
Mr. Vinay Lakshman	Managing Director	0.59	Note - (iii)	72%	Not Applicable
Mr. P S Rao	Manager / President	0.74	Note - (iv)	72%	
Mr. M A P Sridhar Kumar	Chief Financial Officer	0.41	11%	72%	
Mr. Venkatraman	Company Secretary	0.10	Note - (v)	72%	

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 emoulments (paid basis) and designation as on date.

(iii) Mr. Vinay Lakshman, Managing Director appointed with effect from October 01, 2015

(iv) Mr. P S Rao, Manager / President retired on September 30, 2015

(v) Mr. Venkatraman, Company Secretary appointed with effect from May 22, 2015

2. Median remuneration of the employees of the Company for FY 2015-16 is ₹ 0.04 Crores Increase in median remuneration during the year : 17%

3. Number of permanent employees on the rolls of the Company as on March 31, 2016 was 820 as against 853 as on March 31, 2015.

4. Relationship between average increase / decrease in remuneration and company performance:

   During FY 2015-16, the sales grew by 8% and profit before tax (PBT) grew by 72%. The average remuneration increased by 14% in line with the industry standards.

5. Comparison of Remuneration of the Key Managerial Personnel(s) against the performance of the Company:

   The total remuneration of Key Managerial Personnel increased by 11% in 2015-16 whereas the profit before tax increased by 72%.

6. Average percentile increase already made in salary of employees other than the managerial personnel in last financial year: 12%, as against a percentile increase in managerial remuneration: Not Applicable. (Mr. Vinay Lakshman, appointed as Managing Director effective October 01, 2015). Hence comparison not provided.

7. Ratio of remuneration of the highest paid director to that of employees who are not directors but receive remuneration in excess of highest paid director during the year:

   Not Applicable in view of Note-(i) and (iii) above.

8. Key parameters for any variable component of remuneration availed by the directors:

   There are no key variable components in the remuneration paid to the non-executive directors except in the case of Non-Executive Chairman who is entitled to receive commission as per the approval of shareholders. The Managing Director is also entitled to receive variable performance pay not exceeding ₹ 15,00,000 p.a. as decided by the Board of Directors of the Company based on the recommendation of the Nomination and Remuneration Committee.

9. (i) Variation in market capitalisation and price earnings ratio:

(₹ In crores)

	March 31, 2016	March 31, 2015	% change
Market capitalisation of the Company (based on closing prices quoted on BSE)	301.48	257.63	17%
Price earnings ratio	11.71	15.99	-

(ii) Percentage increase over / decrease in the market quotations of shares of the company as compared to the rate at which company came out with last public offer:

Not applicable, since the Company has not made any public offer and the equity share capital of the company represents shares allotted pursuant to a Scheme of Demerger, Merger and Amalgamation under Section 391-394 of the Companies Act, 1956 as sanctioned by the Hon'ble High Court of Judicature at Madras vide its order dated December 26, 2007.

10. It is hereby affirmed that the remuneration paid is in accordance with the remuneration policy.

B. Details as per Rule 5 (2) & 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. Employed throughout the financial year with remuneration not less than ₹ 60 lakhs per annum: Not applicable.

ii. Employed for part the financial year with remuneration not less than ₹ 5 lakhs per month:

Name	Designation	Remuneration (In ₹ cr)	Qualifications	Age	Experience (in years)	Date of Joining	Nature of employment (Permanent / contractual)	Previous employment & designation	No. of shares held in Company	Relationship with any director / manager
Mr P S Rao*	President (Manager under Companies Act 2013)	0.74	M. Tech	64	41	12.04.2001	Permanent	Vice- President (Operations) Rane (Madras) Ltd.	NIL	NIL
Mr. Vinay Lakshman**	Managing Director	0.59	Management Accounts and Finance	39	19	01.10.2015	Permanent	Senior Vice President – Commercial Rane Brake Lining Ltd.	50	Son of L Lakshman and Brother of Harish Lakshman

* Retired from the services on September 30, 2015

** Appointed as Managing Director with effect from October 01, 2015

Annexure G 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 of March 31, 2016, the Board of Directors of the Company consists of nine non-executive directors and one executive director with 50% being independent directors. The composition of the Board is in conformity with the Uniform Listing Agreement entered into with stock exchanges. The 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 serve as Independent Directors in more than seven (7) listed companies and where any Independent Director is serving as whole-time director in listed company such director is not serving as Independent Director in more than three (3) listed companies. 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 companies in which he/she is a director in terms of Regulation 26 of SEBI LODR.

The Board met five (5) times during the financial year on May 22, 2015, July 20, 2015, October 19, 2015, January 28, 2016 and March 22, 2016. The names and categories of the directors on the Board, their attendance at Board Meetings and Annual General Meeting held during the year and the number of directorships in other public companies and committee chairmanships / memberships held by them in all listed companies are given below:

Name of the Director/ (DIN)	Category	No of board meetings attended	Whether attended last AGM July 20, 2015	Number of Directorship in other Public limited companies #		Number of Committees @	
				Chairman	Member	Chairman	Member
Mr. L Ganesh (00012583)	Chairman, Non-Executive & Promoter	5	Yes	3	8	1	7
Mr. Vinay Lakshman^ (07295820)	Managing Director, Executive & Promoter	3	-	-	-	-	-
Mr. L Lakshman (00012554)	Non-Executive & Promoter	5	Yes	1	6	1	5
Mr. Harish Lakshman (00012602)	Non-Executive & Promoter	5	Yes	-	7	2	3
Mr. S A Murali Prasad (00001432)	Non-Executive & Independent	5	Yes	-	-	-	1
Mr. S Sandilya (00037542)	Non-Executive & Independent	5	Yes	2	9	4	6
Mr. Anil Kumar V Epur (00202454)	Non-Executive & Independent	5	Yes	-	1	-	1
Mr. Suresh Chandra Gupta (02085068)	Non-Executive & Independent	4	Yes	-	-	-	1
Ms. Ranjana Kumar* (02930881)	Non-Executive & Independent	5	Yes	-	4	2	3
Mr. Kazuhiro Iwata (06875329)	Non-Executive & Nominee	2	No	-	-	-	-

Excludes Companies exempted under Section 165 of the Companies Act, 2013 and foreign companies.

@ Membership in Audit Committee and Stakeholder Relationship Committee of all listed companies only is considered as per Regulation 26 of SEBI LODR.

^ Mr. Vinay Lakshman was appointed as additional director (Managing Director) with effect from October 1, 2015.

* Ms. Ranjana Kumar was appointed as independent director with effect from January 23, 2015 by shareholders at the Tenth Annual General Meeting (AGM) held on July 20, 2015. Her appointment also fulfils criteria of appointment of woman director under Regulation 17 of (SEBI (LODR).

Mr. L Lakshman is related to Mr. L Ganesh and Mr. Harish Lakshman, Mr. Vinay Lakshman who are also related to each others.

The information as prescribed under PART A of Schedule II pursuant to Regulation 17(7) of SEBI LODR such as 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. are discussed by the Board of Directors.

Annual calendar for the Board and its committee meetings is circulated in advance to the directors for their planning. The directors are provided with detailed agenda for the meetings along with necessary annexures to effectively participate in discussions. The Company has post board meeting reviews 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.

The details of familiarisation programme for the independent directors are disclosed in the website of the Company http://rane.co.in/ranebrakelining/rblinvestors.html.

3. Audit Committee

Composition, Attendance and Meetings

The composition of the Audit Committee of the Board is in conformity with 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 May 22, 2015, July 20, 2015, October 19, 2015 and January 28, 2016. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings Attended
Mr. S Sandilya	Chairman – Independent	4
Mr. L Ganesh	Member – Non-Executive, Promoter	4
Mr. S A Murali Prasad	Member – Independent	4
Mr. Suresh Chandra Gupta	Member – Independent	4

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 Manager / Managing Director and Vice President (Finance) & 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.

Overall purpose and terms of reference

The purpose of the Audit Committee is to assist the Board of Directors (the "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. In line with these provisions the Company has framed an Audit Committee Charter, which is subject to review by the Audit Committee.

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

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 / audited annual 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 SEBI LODR, including review of internal auditor observations, statutory compliance.

4. **Nomination and Remuneration Committee (NRC)**

Composition, Attendance and Meetings:

The Nomination and Remuneration Committee (NRC) of the Board is constituted in terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI LODR. The Committee met three (3) times during the year May 22, 2015, July 20, 2015 and January 28, 2016. The details of members and their attendance are as below:

Name of the Director	Category	No. of Meetings Attended
Mr. S Sandilya	Chairman – Independent	3
Mr. L Ganesh	Member – Non-Executive, Promoter	3
Mr. S A Murali Prasad	Member – Independent	3
Mr. Suresh Chandra Gupta	Member – Independent	3

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 executive directors.
- 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.

The NRC members perused the candidature of a Senior Vice-President of the Company, who was appointed as the Managing Director and after satisfying themselves of his qualifications, experience and expertise, recommended his appointment to the Board of directors. NRC laid down the criteria for evaluation of performance of the board, its committees and directors. The criteria for evaluation of performance of independent directors include their attendance and participation at board meetings, sharing of their relevant domain expertise, networking in other

forums, their strategic inputs and demonstration towards governance compliances.

In order to align employees with the organizational vision and growth strategies and motivate them to achieve business results, the NRC considered a policy on performance pay laying down the applicability, standards, parameters, methodology and governing rules and approved the policy on leadership development and succession management that focuses on leadership development architecture, leadership assessment across various levels, development plans / programs, human resource systems and processes.

Remuneration Policy

The policy on appointment and remuneration of directors, Key Managerial Personnel (KMP) and Senior Management Personnel (SMP) is available as **'Annexure B'** to the report of the board of Directors.

Details of Remuneration to Directors

Type of Meeting	Sitting Fees (₹) per meeting
Board	30,000
Audit Committee	25,000
Nomination & Remuneration Committee	10,000
Stakeholder's Relationship Committee	5,000
Corporate Social Responsibility Committee	5,000
Finance Committee	2,500

The Company has paid sitting fees apart from reimbursement of actual travel and out-of-pocket expenses incurred by them for attending the meetings. The details of remuneration including sitting fees paid to the directors and their shareholding for the year ended March 31, 2016 are as follows:

Name of the Director	Sitting Fees (₹)	Remuneration (₹)	Shares held as on March 31, 2016@
Mr. L Ganesh	3,00,000	65,00,000	50
Mr. Vinay Lakshman	-	58,33,316	50
Mr. L Lakshman	1,55,000	-	50
Mr. Harish Lakshman	1,65,000	-	50
Mr. S A Murali Prasad	2,80,000	-	-
Mr. S Sandilya	2,80,000	-	-
Mr. Suresh Chandra Gupta	2,55,000	-	-
Mr. Anil Kumar V Epur	1,65,000	-	-
Ms. Ranjana Kumar	1,50,000	-	-
Mr. Kazuhiro Iwata*	60,000	-	-

* remitted to Nisshinbo Holdings Inc. Japan.
@ Excludes joint holdings, if any.

Note:

1. No other remuneration was paid to non-executive directors except sitting fees (other than Chairman).
2. Commission payable to Mr. L Ganesh, Chairman for the year 2015-16 was pursuant to the approval accorded by shareholders vide ordinary resolution passed at the 10th Annual General Meeting held on July 20, 2015.
3. Remuneration paid to Mr. Vinay Lakshman, Managing Director was based on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors at their meeting held on July 20, 2015. The detailed break-up is provided in MGT-9 on page no. 41 of this Annual Report
4. No shares were pledged by the directors. There is no stock option scheme prevailing in the Company.

5. Stakeholder's Relationship Committee

Composition & Attendance of Meetings:

The Stakeholder's Relationship Committee 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. The Company Secretary is the compliance officer of the company. The Committee met three (3) times during the year on May 22, 2015, October 19, 2015 and January 28, 2016. 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	Pending at the end of the year
Regulatory Authorities (MCA / SEBI / Stock Exchanges)	Non-receipt of Annual Report	1	1	-
Through Registrar & Transfer Agent	-	-	-	-
Directly to Company	-	-	-	-

No complaint was received under the SEBI Complaints Redress System (SCORES). There was no investor complaint pending unresolved at the end of the financial year 2015-16.

6. Corporate Social Responsibility (CSR) Committee

The CSR activities of the Company focus on four specific areas of (a) Education (b) Healthcare (c) Community Development (d) Environment. The CSR activities undertaken by the Company are in line with the CSR Policy and recommendations of the CSR Committee. The composition of the Committee is as follows:

Name of the Director	Category
Mr. L Lakshman	Chairman, Non - Executive & Promoter
Mr. L Ganesh	Member, Non - Executive & Promoter
Mr. Suresh Chandra Gupta	Member, Non - Executive & Independent

The CSR Committee meeting held on May 22, 2015 was attended by all the Committee members. 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 2015-16 as approved by the CSR committee in consultation with the Board is annexed to Director's Report as **Annexure 'D'.**

7. Other Committees

Share Transfer Committee:

To expedite the process of share transfers, the Board has delegated the power of share transfer, transmission, dematerialization / rematerialization, 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. The Committee reports the details of transfer of securities to the Board at each meeting of the Board. The Share transfer committee was re-constituted on May 23, 2016. No sitting fee is payable to the committee members.

Finance Committee

The Finance Committee has been constituted to exercise the borrowing powers delegated by the Board, 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.

The Finance Committee was re-constituted on March 22, 2016. The Committee comprises of Mr. L Ganesh, Mr. Vinay Lakshman, Mr. L Lakshman and Mr. Harish Lakshman as its members. During the year, no meeting of the Finance Committee was held.

Executive Committee

The Executive Committee has been constituted 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. The committee comprises of Mr L Ganesh, Harish Lakshman and L Lakshman as its members. No sitting fees is payable to the committee members. No meeting was held during the year. The Committee was re-constituted on May 23, 2016 to include Mr. Vinay Lakshman as a member.

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://rane.co.in/pdf/policies/coc.pdf. The board members and senior management personnel have affirmed their compliance with the code of conduct. Declaration from the Managing Director of the Company to this effect forms part of this report.

Prevention of Insider Trading

The board of directors have formulated "Rane Code to regulate, monitor and report trading by insiders and practices and procedures for fair disclosure of unpublished price sensitive information" in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 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://www.rane.co.in/pdf/policies/rblcfd.pdf.

9. General Body Meetings

Details of last three Annual General Meeting (AGM) are as under:

Date of AGM	Special resolutions passed	Time	Venue
July 20, 2015 (Tenth AGM)	No Special resolution was passed	10.30 A.M	The Music Academy (Mini Hall), New No. 168, TTK Road, Royapettah, Chennai 600 014
July 22, 2014 (Ninth AGM)	1. Approve borrowing powers. 2. Re-appointment of Mr. P S Rao as 'Manager' under the Companies Act, 2013	10.15 A.M	
July 24, 2013 (Eighth AGM)	No Special resolution was passed	10.15 A.M	

10. Disclosures

1. During the year, the Company had not entered into any transaction of material nature with any of the promoters, directors, management or relatives or subsidiaries etc., which were in conflict with the interests of the Company. The transactions entered with related parties during the year were covered under the omnibus approval of the Audit Committee and were in the ordinary course and arms' length. The details of the related party transactions as per AS 18 as stated in note 38 of the financial statements. The policy on Related party Transaction is available on the website of the Company viz. URL: http://rane.co.in/pdf/policies/rblrpt.pdf.

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.

   The Company has complied with the following non-mandatory requirements:-

   i. maintaining an office for the Chairman at the registered office of the Company

   ii. adopting best practices to ensure a regime of unqualified financial statements

   iii. individual communication of half-yearly results to shareholders

   iv. Separate posts for Chairman and Managing Director

   v. Internal Auditor directly reporting 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 that they meet the criteria of 'Independence' as stipulated under Sec 149 of the Companies Act, 2013 and Regulation 16 of the SEBI LODR.

9. The CEO 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.

10. The Company has complied with all mandatory requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of SEBI LODR.

11. 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. It also addresses the protection of 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. The whistle blower policy has also been posted in the Company's website http://rane.co.in/pdf/policies/rblwbpolicy.pdf.

No person has been denied access to the ombudsperson / audit committee.

12. 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 on the websites of the stock exchanges and the Company viz. www.rane.co.in. During the year, presentations were made to analysts / institutional investors and were published on 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.

13. General Shareholder Information

i. Information about directors seeking appointment / re-appointment in this Annual General Meeting in compliance with Regulation 26(4) & 36(3) of SEBI LODR

Name of the Director	Mr. Harish Lakshman	Mr. Vinay Lakshman
Father's Name	L Lakshman	L Lakshman
Director Identification Number (DIN)	00012602	07295820
Date of Birth	12.02.1974	09.04.1977
Educational Qualifications	B.E. - BITS Pilani, MSM - Purdue University, USA	Commerce graduate from Loyola College and Master's degree in accounting and financial management from DeVry University, Chicago.
Experience / Expertise	Mr Harish Lakshman has over 21 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 the Rane group.	Mr Vinay Lakshman has over 17 years of management experience. He was associated with TRW Automotive USA, KPMG LLP and Thoratec Corporation. His areas of expertise include strategic planning, ERP implementation, developing forecast models and risk assessment. He was Senior Vice President of the Company, immediately before his appointment as Managing Director.

Name of the Director	Mr. Harish Lakshman	Mr. Vinay Lakshman
Date of Appointment	22.07.2008	01.10.2015
Relationship with other directors	Son of Mr. L Lakshman and Brother of Mr. Vinay Lakshman	Son of Mr. L Lakshman and Brother of Mr. Harish Lakshman
Directorships in listed entities	**Vice-Chairman** Rane Engine Valve Limited **Director** Rane Holdings Limited Rane Brake Lining Limited Rane (Madras) Limited	**Managing Director** Rane Brake Lining Limited
Committee Memberships in listed entities	Chairman – Stakeholders' Relationship Committee Rane Holdings Limited Rane Brake Lining Limited Member – Stakeholders' Relationship Committee Rane (Madras) Limited Member - Nomination and Remuneration Committee Rane Holdings Limited	NIL
Number of equity shares held*	50	50

* excludes joint shareholding, if any

ii. Annual General Meeting

July 21, 2016 at 10.15 a.m.

The Music Academy (Mini Hall)

New No.168, T T K Road

Royapettah, Chennai 600 014

iii. Financial Year: 1st April - 31st March

Financial Calendar

Board Meeting for approval of	Tentative Date
Annual Accounts for the year ended March 31, 2016	May 23,2016
Un-audited results for the 1st quarter ending June 30, 2016	By last week of July 2016
Un-audited results for the 2nd quarter ending September 30, 2016	By last week of October 2016
Un-audited results for the 3rd quarter ending December 31, 2016	By last week of January 2017
Annual Accounts for the year ending March 31, 2017	By last week of May 2017

iv. Dividends

During the year 2015-16, the board of directors declared an interim dividend of 100% (i.e., Rs.10.00 per share) on the equity share capital on March 10, 2016. The interim dividend was paid on March 23, 2016 to all the eligible shareholders whose name appeared in the registered of members of the Company as on March 18, 2016 (being the Record Date) fixed for this purpose. The Board of Directors did not recommend any final dividend.

v. Listing on Stock Exchanges

Stock Exchanges	Stock Code
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	RBL
BSE Limited 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 paid the Annual Listing fee for the financial year 2016 – 17 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, 2009 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 transferred to IEPF an unclaimed dividend amount Rs.1,06,864/- for the financial year ended March 31, 2008. 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 31.03.2016) (₹)	Last Date for claiming unpaid dividend	Due date for transfer to IEPF
31.03.2009	20.07.2009	2.00	60,758.00	19.08.2016	18.09.2016
31.03.2010 *	21.01.2010	3.00	96,186.00	26.02.2017	28.03.2017
31.03.2010	21.07.2010	1.50	91,626.00	26.08.2017	25.09.2017
31.03.2011 *	25.01.2011	3.00	1,01,241.00	02.03.2018	01.04.2018
31.03.2011	22.07.2011	2.00	67,608.00	27.08.2018	26.09.2018
31.03.2012 *	25.01.2012	4.00	1,78,104.00	01.03.2019	31.03.2019
31.03.2012	13.07.2012	3.00	1,16,643.00	18.08.2019	17.09.2019
31.03.2013*	22.01.2013	2.00	78,106.00	27.02.2020	28.03.2020
31.03.2013	24.07.2013	2.00	80,878.00	29.08.2020	28.09.2020
31.03.2014	22.07.2014	7.50	3,02,602.50	27.08.2021	26.09.2021
31.03.2015	20.07.2015	7.00	2,73,063.00	26.08.2022	25.09.2022

- Share of paid-up value of Rs.10/- per share

* - Interim dividend

During the year, the Company had filed with Registrar of Companies, the details of all unpaid and unclaimed amounts as on July 20, 2015 in accordance with the Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012. The above details have also been uploaded in the website of the Company viz. www.rane.co.in.

In respect of interim dividend declared by the Board of Directors on March 10, 2016, dividends remaining unpaid / unclaimed has been transferred to an unclaimed dividend account with effect from April 15, 2016. The last date for claiming such amount in terms of Section 124 of the Companies Act, 2013 is April 15, 2023.

vii Unclaimed share certificates

Under clause 5A (II) of the listing agreement / 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	140	17,272
Requests received for transfer during the year	4	2,022
Transfers during the year	4	2,022
Balance at the end of the year	136	15,250

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

viii. Share Price Data

The share price data (based on closing price) as quoted on the National Stock Exchange of India Ltd. and BSE Ltd. along with the movement in the respective stock index during the last financial year viz., April 1, 2015 – March 31, 2016 is given below :

Month	BSE		BSE Sensex		NSE		NSE Nifty	
	Share Prices (₹)				Share Prices (₹)			
	High	Low	High	Low	High	Low	High	Low
April 2015	351.00	292.20	29044.44	27011.31	350.15	292.90	8834.00	8181.50
May 2015	304.50	274.50	27957.50	26599.11	302.05	278.20	8458.95	8057.30
June 2015	304.30	271.60	27895.97	26370.98	305.95	275.10	8433.40	7965.35
July 2015	346.80	302.00	28504.93	27459.23	347.00	299.25	8633.50	8328.55
August 2015	340.20	284.90	28298.13	25714.66	347.00	280.05	8588.65	7791.85
September 2015	294.80	271.60	26218.91	24893.81	293.50	270.55	7981.90	7558.80
October 2015	348.10	289.00	27470.81	26220.95	351.60	284.40	8295.45	7950.90
November 2015	353.50	317.60	26590.59	25482.52	351.00	318.00	8060.70	7731.80
December 2015	347.80	326.20	26169.41	25036.05	348.20	322.55	7954.90	7610.45
January 2016	397.70	288.00	26160.90	23962.21	398.20	290.80	7963.20	7276.80
February 2016	404.30	334.20	24824.83	22951.83	403.05	339.35	7555.95	6970.60
March 2016	383.50	352.20	25341.86	23779.35	381.30	352.45	7735.20	7222.30

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

ix. Registrar and Transfer Agent

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

Integrated Enterprises (India) Ltd.,
II Floor, 'Kences Towers',
No.1, Ramakrishna Street,
North Usman Road, T. Nagar,
Chennai – 600 017.
Phone: 28140801 – 03,
Fax: 28142479, 28143378.
e-mail: corpserv@integratedindia.in

Name of the contact person: Mr. Suresh Babu K,
Senior Vice President

x. 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 are approved within fifteen days from date of receipt of valid request. Transmission requests are also processed within time stipulated under SEBI LODR. On a half-yearly basis the compliance with the share transfer / transmission formalities is audited by a Practising Company Secretary (PCS) in terms of clause 47(c) of the Listing Agreement / 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 55A of SEBI (Depositories and Participants) Regulations, 1996 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.

xi. Distribution of shareholding as on March 31, 2016

No. of shares held	Shareholders		Shares	
	Number	% to total	Number	% to total
Upto 500	6059	92.18	5,45,370	6.89
501 – 1000	245	3.73	1,92,469	2.43
1001 – 2000	130	1.98	1,93,856	2.45
2001 – 3000	51	0.78	1,30,338	1.65
3001 – 4000	18	0.27	66,723	0.84
4001 – 5000	18	0.27	82,610	1.04
5001 – 10000	27	0.41	1,96,314	2.48
10001 & above	25	0.38	65,07,300	82.22
Total	6573	100.00	79,14,980	100.00

xii. 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, 2016, about 97.86% 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, 2016	As on March 31, 2015	**As on March 31, 2016**	As on March 31, 2015
Physical	1,69,360	1,77,850	2.14	2.25
Demat	77,45,620	77,37,130	97.86	97.75
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.

Demat ISIN : INE244J01017

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

xiii. Plant locations - given in the page no. 5 of this Annual Report.

xiv. Address for communication:

The Compliance officer
Rane Brake Lining Limited
Rane Corporate Centre,
"Maithri" 132, Cathedral Road,
Chennai 600 086.
Ph.28112472 Fax: 28112449
E-mail: investorservices@rane.co.in

OR

Mr. Suresh Babu K
Senior Vice President
Integrated Enterprises (India) Ltd.,
II Floor, 'Kences Towers'
No.1, Ramakrishna Street,
North Usman Road,
T. Nagar, Chennai 600 017.
Phone: 28140801–03, Fax: 28142479
E-mail: corpserv@integratedindia.in

To

The Members
Rane Brake Lining Limited

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, 2016.

Chennai
May 23, 2016

VINAY LAKSHMAN
Managing Director

INDEPENDENT AUDITOR'S CERTIFICATE

To the Members of **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, 2016, as stipulated in Clause 49 of the Listing Agreement of the company with the stock exchanges for the period from April 1, 2015 to November 30, 2015 and as per the relevant provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the period from December 1, 2015 to March 31, 2016.
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
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
Membership Number : 025854

Place: Chennai
Date : May 23, 2016

Annexure H to the Report of the Board of Directors

Extract of Annual Return - MGT 9

as on the financial year ended March 31, 2016

[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:

(i)	CIN	:	L63011TN2004PLC054948
(ii)	Registration Date	:	17/12/2004
(iii)	Name of the Company	:	Rane Brake Lining Limited
(iv)	Category / Sub-Category of the Company	:	Company Limited by Shares / Indian Non-Government Company
(v)	Address of the Registered office and contact details	:	'Maithri', No.132, Cathedral Road, Chennai – 600 086 Phone: 044 – 2811 2472; Fax: 044 – 2811 2449
(vi)	Whether listed company	:	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Integrated Enterprises (India) Limited II Floor, 'Kences Towers', No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai – 600 017. E-mail: corpserv@integratedindia.in Phone: 044 2814 0801; Fax: 044 2814 2479

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:-

S.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	94%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.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, India	L35999TN1936PLC002202	Holding Company	46.09	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	7550	-	7550	0.1.	0.09
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	3648311	-	3648311	46.09	3648311	-	3648311	46.09	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	3648761	-	3648761	46.10	3655861	-	3655861	46.18	-
(2) Foreign									
a) NRIs – Individuals	19400	-	19400	0.25	19400	-	19400	0.25	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	1595249	-	1595249	20.15	1595249	-	1595249	2015	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	1614649	-	1614649	20.40	1614649	-	1614649	20.40	-
Total Public Shareholding (A) = (A)(1)+ (A)(2)	5263410	-	5263410	66.50	5270510	-	5270510	66.59	0.09
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	200	200	0.00	-	200	200	0.00	-
b) Banks / FI	-	645	645	0.00	-	645	645	0.00	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	770528	-	770528	9.74	770528	0	770528	9.74	0
g) FIIs	271	-	271	0.00	55	-	55	0.00	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	770799	845	771644	9.75	770583	845	771428	9.75	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	87188	1625	88813	1.12	91734	1625	933359	1.18	0.06
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1179512	134562	1314074	16.60	1149611	126072	1275683	16.12	-0.49
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	387563	38668	426231	5.39	407894	38668	446562	5.64	0.26

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	
c) Others (specify)									
Non Resident Indians	27852	2150	30002	0.38	28392	2150	30542	0.39	0.01
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	3533	-	3533	0.04	11631	-	11631	0.15	0.10
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies – D R	-	-	-	-	-	-	-	-	-
Limited Liability Partnership	1	-	1	0.00	15	-	15	0.00	-
Rane Brake Lining Limited - Unclaimed Shares Suspense Account	17272	-	17272	0.22	15250	-	15250	0.19	-0.03
Sub-total (B)(2):-	1702921	177005	1879926	23.75	1704527	168515	1873042	23.66	-0.09
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2473720**	**177850**	**2651570**	**33.50**	**2475110**	**169360**	**2644470**	**33.41**	**-0.09**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**7737130**	**177850**	**7914980**	**100.00**	**7745620**	**169360**	**7914980**	**100.00**	**-**

(ii) Shareholding of Promoters:

S No	Shareholder's Name	At the beginning of the year			At the end of the year			% change in share holding 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	-	36,48,311	46.09	-	-
2	Nisshinbo Holdings Inc.,	15,95,249	20.15	-	15,95,249	20.15	-	-
3	Rekha Sundar	19,400	0.25	-	19,400	0.25	-	-
4	Pushpa Lakshman & L Lakshman	50	-	-	50	-	-	-
5	Pushpa Lakshman	-	-	-	7,100	0.09	-	0.09
6	Vinay Lakshman	50	-	-	50	-	-	-
7	Harish Lakshman	50	-	-	50	-	-	-
8	Ganesh L & Meenakshi Ganesh	50	-	-	50	-	-	-
9	Meenakshi Ganesh & L Ganesh	50	-	-	50	-	-	-
10	Lakshman L & Pushpa Lakshman	50	-	-	50	-	-	-
11	Malavika Lakshman & Harish Lakshman	50	-	-	50	-	-	-
12	Aparna Ganesh	50	-	-	50	-	-	-
13	Aditya Ganesh	50	-	-	50	-	-	-
	TOTAL	**52,63,410**	**66.50**	**-**	**52,70,510**	**66.59**	**-**	**-**

(iii) Change in Promoters' Shareholding :

Sl. No.	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
1	Rane Holdings Limited	36,48,311	46.09	36,48,311	46.09
2	Nisshinbo Holdings Inc.,	15,95,249	20.15	15,95,249	20.15
3	Rekha Sundar	19,400	0.25	19,400	0.25
4	Pushpa Lakshman & L Lakshman	50	-	50	-
5	Pushpa Lakshman	-	-	-	-
6	Vinay Lakshman	50	-	50	-
7	Harish Lakshman	50	-	50	-
8	Ganesh L & Meenakshi Ganesh	50	-	50	-
9	Meenakshi Ganesh & L Ganesh	50	-	50	-
10	Lakshman L & Pushpa Lakshman	50	-	50	-
11	Malavika Lakshman & Harish Lakshman	50	-	50	-
12	Aparna Ganesh	50	-	50	-
13	Aditya Ganesh	50	-	50	-
	Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease: (e.g. allotment / transfer / bonus / sweat equity etc.)				
	Pushpa Lakshman				
	Transmission of shares – 22/01/2016	7,100	0.09	7,100	0.09
	At the end of the year	52,70,510	66.59	52,70,510	66.59
1	Rane Holdings Limited	36,48,311	46.09	36,48,311	46.09
2	Nisshinbo Holdings Inc.,	15,95,249	20.15	15,95,249	20.15
3	Rekha Sundar	19,400	0.25	19,400	0.25
4	Pushpa Lakshman & L Lakshman	50	-	50	-
5	Pushpa Lakshman	7,100	0.09	7,100	0.09
6	Vinay Lakshman	50	-	50	-
7	Harish Lakshman	50	-	50	-
8	Ganesh L & Meenakshi Ganesh	50	-	50	-
9	Meenakshi Ganesh & L Ganesh	50	-	50	-
10	Lakshman L & Pushpa Lakshman	50	-	50	-
11	Malavika Lakshman & Harish Lakshman	50	-	50	-
12	Aparna Ganesh	50	-	50	-
13	Aditya Ganesh	50	-	50	-
	At the end of the year	52,70,510	66.59	52,70,510	66.59

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

S. No.	Name	Shareholding at the beginning of the year		Date (DD/MM/YY)	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	Sangeeta Jain	49,325	0.62	15/05/2015	(49,014)	(0.62)	Transfer	311	0.00
4	M M Narayanamma	46,594	0.59	-	-	-	-	46,594	0.59
5	Ramani Narayan Swamy	35,180	0.44	-	-	-	-	35,180	0.44
6	S N Swamy	34,544	0.44	-	-	-	-	34,544	0.44
7	Om Prakash Rawat	31,350	0.40	-	-	-	-	31,350	0.40
8	Bachaladharani	29,901	0.38	-	-	-	-	29,901	0.38
9	Shanmugasundaram K N	27,200	0.34	-	-	-	-	27,200	0.34
10	Buntwal Nagendra Baliga	27,116	0.34	-	-	-	-	27,116	0.34
11	Saraswathi S	26,126	0.33	-	-	-	-	26,126	0.33
12	V Subha	22,608	0.29	29/01/2016	(250)	(0.00)	Transfer	22,358	0.28
13	Vaibhav Jain	21,709	0.27	05/02/2016	(6,000)	(0.08)	Transfer	15,709	0.20
				12/02/2016	(1,257)	(0.02)	Transfer	14,452	0.18
				26/02/2016	(5000)	(0.06)	Transfer	9,452	0.12
14	Srinivasan T M	20,300	0.26	-	-	-	-	20,300	0.26
15	Ramachandran T M	18,650	0.24	22/01/2016	(200)	(0.00)	Transfer	18,450	0.23
16	Sunil Kumar Gupta	10,000	0.13	10/04/2015	2,000	0.03		12,000	0.15
				17/04/2015	2,000	0.03		14,000	0.18
				12/06/2015	2,410	0.03		16,410	0.21
				26/06/2015	90	0.00		16,500	0.21
				11/09/2015	583	0.01		17,083	0.22
				18/09/2015	417	0.01		17,500	0.22
				25/09/2015	26	0.00		17,526	0.22
				30/09/2015	474	0.01		18,000	0.23
				23/10/2015	1,000	0.01		19,000	0.24
				08/01/2016	1,000	0.01		20,000	0.25
				19/02/2016	500	0.01		20,500	0.26
				04/03/2016	500	0.01		21,000	0.27
17	Gautam Jain	2,000	0.03	15/05/2015	49,014	0.62	Purchase	51,014	0.65

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	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	-	350	-
1	Pushpa Lakshman & L Lakshman	50	-	50	-
2	Vinay Lakshman	50	-	50	-
3	Harish Lakshman	50	-	50	-
4	Ganesh L & Meenakshi Ganesh	50	-	50	-
5	Meenakshi Ganesh & L Ganesh	50	-	50	-
6	Lakshman L & Pushpa Lakshman	50	-	50	-
7	Malavika Lakshman & Harish Lakshman	50	-	50	-
	Date wise Increase in Promoters shareholding during the year specifying the reasons for increase / decrease: (e.g. allotment / transfer / bonus / sweat equity etc.) – No Change				
1	Pushpa Lakshman & L Lakshman	50	-	50	-
2	Vinay Lakshman	50	-	50	-
3	Harish Lakshman	50	-	50	-
4	Ganesh L & Meenakshi Ganesh	50	-	50	-
5	Meenakshi Ganesh & L Ganesh	50	-	50	-
6	Lakshman L & Pushpa Lakshman	50	-	50	-
7	Malavika Lakshman & Harish Lakshman	50	-	50	-
	At the end of the year	350	-	350	-

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

V. INDEBTEDNESS:

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

(in ₹)

	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	17,70,27,850	14,14,62,582	15,30,07,504	4,39,05,000	51,54,02,936
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	21,52,406	7,85,898	49,315	32,94,749	62,82368
Total (i+ii+iii)	**17,91,80,256**	**14,22,48,480**	**15,30,56,819**	**4,71,99,749**	**52,16,85,304**
Change in Indebtedness during the financial year					
Addition	-	2,68,06,725	-	-	2,68,06,725
Reduction	(13,24,99,839)	(4,12,076)	(10,34,70,380)	(3,74,64,661)	(27,38,46,956)
Net Change	(13,24,99,839)	2,63,94,649	(10,34,70,380)	(3,74,64,661)	(24,70,40,231)
Indebtedness at the end of the financial year					
i) Principal Amount	4,60,31,250	16,82,69,307	4,95,86,439	90,95,000	27,29,81,996
ii) Interest due but not paid					
iii) Interest accrued but not due	6,49,167	3,73,822	-	6,40,088	16,63,077
Total (i+ii+iii)	**4,66,80,417**	**16,86,43,129**	**4,95,86,439**	**97,35,088**	**27,46,45,073**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. Remuneration to Managing Director, Whole-time Directors and / or Manager :

(In ₹)

S. No.	Particulars of Remuneration	Manager*	Managing Director**	Total Amount
		P S Rao	Vinay Lakshman	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56,31,414	55,40,899	1,11,72,313
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	50,172	25,297	75,469
(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	5,54,844	2,67,120	8,21,964
Total (A)		**62,36,430**	**58,33,316**	**1,20,69,746**
Ceiling as per the Act		**₹ 3,57,97,616/- (being 10% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)**		

* Mr. P S Rao, Manager / President retired on September 30, 2015

** Mr. Vinay Lakshman, Managing Director appointed with effect from October 01, 2015

B. Remuneration to other Directors: (in ₹)

S. No.	Particulars of Remuneration	Name of Directors									Total Amount
		L Ganesh	L Lakshman	Harish Lakshman	S A Murali Prasad	S Sandilya	S C Gupta	Ranjana Kumar	Kazuhiro Iwata	Anil Kumar Epur	
1	**Independent Directors**										
a	Fee for attending board / committee meetings	-	-	-	2,80,000	2,80,000	2,55,000	1,50,000	60,000	1,65,000	11,90,000
b	Commission	-	-	-	-	-	-	-	-	-	-
c	Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (1)		-	-	-	2,80,000	2,80,000	2,55,000	1,50,000	60,000	1,65,000	11,90,000
2	**Other Non-Executive Directors**										
a	Fee for attending board / committee meetings	3,00,000	1,55,000	1,65,000	-	-	-	-	-	-	6,20,000
b	Commission	65,00,000	-	-	-	-	-	-	-	-	65,00,000
c	Others, please specify	-	-	-	-	-	-	-	-	-	-
Total (2)		68,00,000	1,55,000	1,65,000	-	-	-	-	-	-	71,20,000
Total B = (1+2)		**68,00,000**	**1,55,000**	**1,65,000**	**2,80,000**	**2,80,000**	**2,55,000**	**1,50,000**	**60,000**	**1,65,000**	**83,10,000**
Ceiling as per Act		**₹ 71,59,523/- (being 2% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)**									
Total Managerial Remuneration (A + B)		**₹ 2,03,79,746/-**									
Overall ceiling as per the Act		**₹ 3,93,77,378/- (being 11% of net profits of the Company calculated as per Section 198 of the Companies Act, 2013)**									

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD: (in ₹)

S. No	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer M A P Sridhar Kumar	Company Secretary Venkatraman*	Total
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,31,493	10,22,802	42,54,295
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	68,582	-	68,582
	(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	5,25,467	-	5,25,467
Total (A)		**38,25,542**	**10,22,802**	**48,48,344**

* 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, 2016.

Independent Auditor's Report

To

The Members,
Rane Brake Lining Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Rane Brake Lining Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2016 the Profit and Loss Statement and the Cash flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 judgements 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act 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, 2016 and its Profit and its cash flows for the year ended on that date.

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 Act, we give in the Annexure 'A', a statement on the matters specified in the paragraph 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 Profit and Loss Statement 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 March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act; and

(f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls refer to our separate report in Annexure 'B'.

(g) 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-23 to the standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

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
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
Membership Number : 025854

Place: Chennai
Date : May 23, 2016

Annexure 'A' to the Independent Auditor's Report

Referred to in Paragraph 1 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, 2016

(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 and also having regard to the confirmation received from banks in respect of title deeds deposited with them wherever applicable and also legal opinion received in a case, 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. In respect of an interest free unsecured loan given to a party in the earlier years(and repaid during the year); we report that:

a. Since no fresh loan was granted or renewed during the year, the reporting requirements of clause 3(iii) (a) of the Order are not commented upon;

b. In our opinion, the party has been regular in repayment of the principal amount as per the revised terms; and

c. Since the loan has been repaid in full during the year, there are no overdue amounts as at the year end.

(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 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. In respect of deposits accepted by the company in the earlier years, the company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder.

(vi) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the company.

(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, sales tax, service tax, duty of customs, duty of excise, value added tax, 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, 2016 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, 2016 are as follows:

Statute	Nature of dues	Amount (Rs.in Cr)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.20	April 2000 to March 2002, April 2004 to March 2005 and April 2006 to March 2007	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax	0.02	April 2003 to March 2004	High Court of Judicature, Madras

Statute	Nature of dues	Amount (Rs.in Cr)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	1.74	April 2010 to March 2012	Commissioner of Income Tax (Appeals), Chennai
Central Sales Tax Act, 1956	Sales Tax	0.15	April 2005 to March 2007	The Appellate Deputy Commissioner of Commercial Taxes, Chennai
Central Sales Tax Act, 1956	Sales Tax	0.37	April 2004 to March 2005, April 2008 to March 2011	Sales Tax Appellate Tribunal, Hyderabad
Puducherry Value Added Tax Act, 2007	Sales Tax	0.01	April 2008 to March 2010 and April 2011 to March 2012	Puducherry Value Added Tax Appellate Tribunal, Puducherry
Central Sales Tax Act, 1956	Sales Tax	0.36	April 2008 to March 2010 and April 2011 to March 2012	Puducherry Value Added Tax Appellate Tribunal, Puducherry
Kerala Value Added Tax, 2003	Sales Tax	0.01	April 2010 to March 2011	The Deputy Commissioner (Appeals-I), Ernakulam
Maharashtra Value Added Tax Act, 2002	Sales Tax	0.03	April 2008 to March 2009	The Joint Commissioner of Sales Tax (Appeal), Pune
Central Sales Tax Act, 1956	Sales Tax	0.16	April 2008 to March 2009 and April 2010 to March 2011	The Joint Commissioner of Sales Tax (Appeal), Pune
Central Excise Act , 1944	Interest and penalty	0.03	December 2011	Commissioner of Central Excise (Appeals), Chennai
Central Excise Act , 1944	Excise Duty (including interest and penalty)	0.80	April 2001 to March 2005, March 2009 to April 2010	Customs, Excise And Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax (including interest and penalty)	1.12	August 2002 to March 2004, September 2004 to May 2008 and April 2010 to March 2011	Customs, Excise And Service Tax Appellate Tribunal, Chennai
Finance Act, 1994	Service Tax (including interest and penalty)	0.74	August 2012, April 2013 to March 2015	Commissioner of Central Excise (Appeals), 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 the banks and government. The Company has neither taken any loans or borrowings from any financial institution nor has 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 and hence relative reporting requirement under clause 3(ix) of the Order are not commented upon.

(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, having regard to the fact stated in note No.40.

(xii) The Company is not a Nidhi Company. Accordingly, the reporting requirements under clause 3 (xii) of the Order are not applicable.

(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 thereon have been duly disclosed in Note-38 to the standalone financial statements as required by the applicable accounting standard.

(xiv) 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 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 explanation given to us and based on 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 requirement 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.

For **Varma & Varma**
Chartered Accountants
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
Membership Number : 025854

Place: Chennai
Date : May 23, 2016

Annexure 'B' to the Independent Auditor's Report

Referred to in paragraph 2(f) 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, 2016

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, 2016 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 inconditions, 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, 2016, 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
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
Membership Number : 025854

Place: Chennai
Date : May 23, 2016

Balance Sheet

as at March 31, 2016

(₹ in Crores)

Particulars			Note	As at March 31, 2016	As at March 31, 2015
I.	**EQUITY AND LIABILITIES**				
	(1)	**Shareholders' Funds**			
	(a)	Share Capital	3	7.91	7.91
	(b)	Reserves and Surplus	4	130.02	113.79
	(2)	**Non-current Liabilities**			
	(a)	Long-term borrowings	5	4.66	10.51
	(b)	Deferred tax liabilities (Net)	6	6.00	10.16
	(c)	Other Long term liabilities	7	0.41	0.41
	(d)	Long-term provisions	8	3.27	2.75
	(3)	**Current Liabilities**			
	(a)	Short-term borrowings	9	16.83	24.15
	(b)	Trade payables	10	70.71	50.71
	(c)	Other current liabilities	11	12.17	23.64
	(d)	Short-term provisions	12	3.90	11.06
	Total			**255.88**	**255.09**
II.	**ASSETS**				
	(1)	**Non-current assets**			
	(a)	Fixed assets			
		(i) Tangible assets	13	104.14	116.90
		(ii) Intangible assets	14	0.18	0.16
		(iii) Capital work-in-progress		1.84	0.58
	(b)	Non-current Investment	15	0.37	0.37
	(c)	Long-term loans and advances	16	6.86	11.01
	(d)	Other non-current assets	17	0.45	0.48
	(2)	**Current assets**			
	(a)	Inventories	18	30.92	27.21
	(b)	Trade receivables	19	99.44	88.76
	(c)	Cash and Bank balances	20	1.93	1.48
	(d)	Short-term loans and advances	21	9.38	7.82
	(e)	Other current assets	22	0.37	0.32
	Total			**255.88**	**255.09**
Summary of Significant accounting policies			2		

The accompanying Notes are an integral part of the financial statements

This is the Balance sheet referred to in our report of even date

For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
(Membership No. 025854)

Place : Chennai
Date : May 23, 2016

For and on behalf of the Board

L GANESH
Chairman

VINAY LAKSHMAN
Managing Director

M A P SRIDHAR KUMAR
Chief Financial Officer

VENKATRAMAN
Secretary

Profit and Loss Statement

for the year ended March 31, 2016

(₹ in Crores)

	Particulars	Note	Year ended March 31, 2016	Year ended March 31, 2015
I.	**Revenue from Operations (Gross)**	26	509.28	471.08
	Less: Excise Duty (Refer Note 33(a))		60.86	54.67
	Revenue from Operations (Net)		**448.42**	**416.41**
II.	**Other Income**	27	3.22	2.08
III.	**Total Revenue (I +II)**		**451.64**	**418.49**
IV.	**Expenses:-**			
	Cost of materials consumed	28	209.75	203.28
	Purchase of Stock-in-trade		0.04	0.07
	Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade	29	(2.32)	0.49
	Employee benefits expense	30	70.07	60.78
	Finance costs	31	3.26	6.02
	Depreciation and amortisation expense	32	18.91	20.95
	Other expenses	33	116.45	106.30
	Total Expenses		**416.16**	**397.89**
V.	**Profit before tax (III - IV)**		**35.48**	**20.60**
VI.	**Tax Expense:**			
	(1) Current Tax		13.95	4.49
	(2) Minimum Alternative Tax Credit		-	(1.94)
	(3) Tax relating to earlier years		(0.07)	1.03
	(3) Deferred Tax		(4.16)	0.91
VII.	**Profit / (Loss) for the period (V - VI)**		**25.76**	**16.11**
VIII.	Earnings per equity share: {Nominal Value per share: ₹ 10 (₹ 10)}			
	Basic (in ₹)	37	32.54	20.36
	Diluted (in ₹)	37	32.54	20.36
	Summary of Significant Accounting Policies	2		

The accompanying Notes are an integral part of the financial statements

This is the Profit and Loss Statement referred to in our report of even date

For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
(Membership No. 025854)

Place : Chennai
Date : May 23, 2016

For and on behalf of the Board

L GANESH
Chairman

VINAY LAKSHMAN
Managing Director

M A P SRIDHAR KUMAR
Chief Financial Officer

VENKATRAMAN
Secretary

Cash Flow Statement

for the year ended March 31, 2016

(₹ in Crores)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(A)	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before Tax	35.48	20.60
	Adjustment for:		
	Depreciation / Amortisation	18.91	20.95
	Interest Charges	2.97	5.79
	Profit on tangible Assets sold	0.02	(0.02)
	Interest income from deposits	(0.25)	(0.25)
	Operating profit before Working Capital Changes	**57.13**	**47.07**
	Changes in working capital		
	(Increase) / Decrease in Inventories	(3.71)	0.72
	(Increase) / Decrease in Trade Receivables	(10.68)	(2.63)
	(Increase) / Decrease in Loans and Advances	(1.99)	(0.37)
	(Increase) / Decrease in Other Current Assets	-	-
	Increase / (Decrease) in Trade and other payables	21.57	5.57
	Cash generated from operations	**62.32**	**50.36**
	Income Taxes Paid (Net of refunds)	(10.39)	(5.06)
	Net Cash generated from Operating Activities	**51.93**	**45.30**
(B)	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of tangible / intangible Assets	(7.78)	(5.30)
	Sale proceeds of tangible / intangible assets	0.33	0.06
	Purchase of investments	-	-
	Interest received	0.21	0.20
	Net Cash used in Investing Activities	**(7.24)**	**(5.04)**

(₹ in Crores)

	Particulars	Year ended March 31, 2016	Year ended March 31, 2015
(C)	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Increase / (Decrease) in long term loans (net)	(13.10)	(16.29)
	Increase / (Decrease) in A.P. Government Sales tax deferral Scheme	(0.34)	0.23)
	Increase / (Decrease) in Fixed Deposits	(3.32)	(3.17)
	Proceeds from / (Repayment) of Short term loans	(2.50)	(11.00)
	Increase / (Decrease) in Cash credit, Packing credit and Buyers Credit	5.18	(9.13)
	Increase / (Decrease) in Commercial Paper	(9.79)	9.79
	Dividend and Dividend tax paid	(16.18)	(6.97)
	Interest paid	(4.04)	(5.72)
	Net Cash from Financing Activities	**(44.09)**	**(42.73)**
	Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	**0.60**	**(2.47)**
(D)	**Cash and Cash Equivalents At the Beginning of the Year**	**0.60**	**3.07**
(E)	**Cash and Cash Equivalents At the End of the Year**	**1.20**	**0.60**

Note:	Cash and Cash Equivalents comprise of:		
	Cash on hand	0.06	0.03
	Bank Balances	1.14	0.57

The accompanying Notes are an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date

For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
(Membership No. 025854)

Place : Chennai
Date : May 23, 2016

For and on behalf of the Board

L GANESH
Chairman

VINAY LAKSHMAN
Managing Director

M A P SRIDHAR KUMAR
Chief Financial Officer

VENKATRAMAN
Secretary

Notes Forming Part of the Financial Statements

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 '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 are prepared under historical cost convention 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 read with rule 7 of the Companies (Accounts) Rules, 2014.

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 estimates and assumptions that affect 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.

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. Difference between actual results and estimates are recognised in the Profit and Loss Statement in the year in which the results are known / materialised.

2.3 Fixed Assets & Depreciation

(i) Tangible Assets

Fixed Assets are valued at cost, namely, cost of acquisition and other incidental expenses directly related to their installation / erection less accumulated depreciation and impairment, if any. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefit from the existing asset beyond its previously assessed standard of performance.

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

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

Assets individually costing ₹ 10,000 or less are depreciated at the rate of 100%.

(ii) 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.

Assets	Life (Years)
Software licence	3
Technical Know how	3

2.4 Impairment

Assessment is done at each Balance Sheet date 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 net selling price 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.

2.5 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.

2.6 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.

2.7 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 reporting 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 Profit and Loss Statement.

Forward Exchange Contracts

Premium or discount arising on inception of forward exchange contracts, which are intended to hedge the foreign currency risk of existing assets or liabilities has been amortised as income / expense over the life of the contract and exchange differences on such contracts are recognised in the Profit and Loss Statement in the reporting period in which the exchange rates change.

Gain or loss on forward exchange contracts, which are intended to hedge the foreign currency risks of future transactions in respect of which firm commitments are made or which are highly probable forecast transactions are determined by marking such contracts outstanding on Balance Sheet date to market. The portion of the gains or losses on forward contracts determined to be "effective hedges" has been recognized directly in Hedging Reserve Account, whereas the portion relatable to "ineffective hedges" has been recognized in the Profit and Loss Statement. The gains or losses that are recognized directly in the Hedging Reserve Account are subsequently reclassified into the Profit and Loss Statement in the period during which the asset acquired or liability assumed affects the profit or loss. The profit or loss recognized in Hedging Reserve account, which is not expected to be recovered in future periods, has been recognized in the Profit and Loss Statement.

2.8 Revenue Recognition

Revenue from sales is recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates, sales taxes and excise duties.

2.9 Other Income

Interest : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognised when the right to receive dividend is established.

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 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 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 Profit and Loss Statement in the year in which they arise.

4. Other Long term employee benefits

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end 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.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. 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.

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 laws.

Minimum Alternative Tax 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.

2.12 Investments

Investments which are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and quoted / fair value, computed category wise. Long Term Investments are stated at cost. Decline in value, if any, which is not considered temporary in nature, is provided for.

2.13 Research & Development Expenditure

Revenue expenditure on Research and Development is charged off in the year in which it is incurred. Capital expenditure on Research and Development is included under Fixed Assets.

2.14 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.

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.

2.15 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.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
3.	**Share Capital**		
3.1	**Authorised**		
	10,000,000 (March 31, 2015 :10,000,000) equity shares of ₹10 each	10.00	10.00
	Issued		
	7,914,980 (March 31, 2015 : 7,914,980) equity shares of ₹10 each	7.91	7.91
	Issued, Subscribed and Paid up		
	7,914,980 (March 31, 2015 : 7,914,980) equity shares of ₹10 each	7.91	7.91
3.2	**Reconciliation of number of shares**		
	Equity Shares		
	Balance as at the beginning of the year		
	Number of Shares	7,914,980	7,914,980
	Value of shares (₹ in Crores)	7.91	7.91
	Balance as at the end of the year		
	Number of Shares	7,914,980	7,914,980
	Value of shares (₹ in Crores)	7.91	7.91
3.3	**Rights, preferences and restrictions attached to Shares**		
	Equity Shares : The Company has one class of equity shares 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, if any, 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.		
3.4	**Shares held by holding company**		
	3,648,311 shares (March 31, 2015 : 3,648,311 shares) of ₹ 10 each, fully paid up held by Rane Holdings Limited, the Holding Company	3.65	3.65
3.5	**Details of shares held by shareholders holding more than 5% of the aggregate shares in the company**		
	Equity Shares in Numbers		
	Rane Holdings Limited	3,648,311	3,648,311
		(46.09%)	(46.09%)
	Nisshinbo Holdings Inc.	1,595,249	1,595,249
		(20.15%)	(20.15%)
	United India Insurance Company Ltd.	479,030	479,030
		(6.05%)	(6.05%)

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
4	**Reserves and Surplus**		
4.1	**Securities Premium Account**		
	Balance as at the beginning of the year	2.80	2.80
	Balance as at the end of the year	**2.80**	**2.80**
4.2	**General Reserve**		
	Balance as at the beginning of the year	104.32	55.11
	Add: Transferred from surplus in Profit and Loss Statement	13.37	49.21
	Balance as at the end of the year	**117.69**	**104.32**
4.3	**Surplus in Profit and Loss Statement**		
	Balance as at the beginning of the year	6.67	46.44
	Profit for the year	25.76	16.11
	Less: Appropriations		
	Interim dividend on the Equity Shares (₹ 10/- per share, (2014-15 ₹ Nil))	7.91	-
	Dividend distribution tax on interim dividend on Equity Shares	1.62	-
	Proposed Dividend on the Equity Shares (₹ Nil, (March 31, 2015 ₹ 7 per share))	-	5.54
	Dividend distribution tax on proposed dividend on Equity Shares	-	1.13
	Transfer to General Reserve	13.37	49.21
	Balance as at the end of the year	**9.53**	**6.67**
	Total	**130.02**	**113.79**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
5	**Long - term borrowings**		
5.1	**Secured**		
	Term Loans		
	Foreign Currency Loans from Banks	-	4.60
	Total	**-**	**4.60**
5.1.a	In respect of foreign currency loans availed, the Company has entered into derivative contracts to hedge the loans including interest. This has the effect of freezing the rupee equivalent of these liabilities as reflected under the Borrowings. Thus there is no impact in the Profit & Loss Statement, arising out of exchange fluctuations for the durations of the loans. Consequently, there is no restatement of the loan taken in Foreign Currency. The interest payable in Indian rupees on the borrowings are accounted for in the Profit & Loss Statement.		
5.2	**Unsecured**		
	Fixed Deposits (Refer Note 5.5)	-	0.95
	Deferred Sales Tax Loan	4.66	4.96
		4.66	5.91
	Total	**4.66**	**10.51**

5.3 Nature of Security and terms of repayment for secured borrowings

	Nature of Security	Terms of Repayment
i.	Term loan from a Bank (including repayable within one year classified in Note 11 other current liabilities) amounting to ₹ Nil (March 31, 2015 : ₹ 2.37 Crores) are secured by pari passu basis first charge on the company's immovable properties both present and future and also secured by hypothecation of company's movable properties both present and future.	Repayable in 16 equal quarterly instalments from December 28, 2011 along with interest rate of 8.00%
ii.	Term loan from a Bank (including repayable within one year classified in Note 11 other current liabilities) amounting to ₹ 4.60 Crores (March 31, 2015 : ₹ 10.74 Crores) are secured by pari passu basis first charge on the company's immovable properties both present and future and also secured by hypothecation of company's movable properties both present and future.	Repayable in 16 equal quarterly instalments from January 20, 2013 along with interest rate of 7.25%
iii.	Term loan from a Bank (including repayable within one year classified in Note 11 other current liabilities) amounting to ₹ Nil Crores (March 31, 2015 : ₹ 4.58 Crores) are secured by way of first pari passu charge on all the present and future movable fixed assets of the Company.	Repayable in 8 equal quarterly instalments from May 07, 2014 along with interest rate of 9.50%

5.4 Terms of Repayment for unsecured borrowings:

	Nature of Security	Terms of Repayment
(i)	Deferred Sales Tax Loan - Government of Andhra Pradesh, Commissionerate of Industries issued to the Company Eligibility Certificate No.20/2/8/1551 dated 27th January 1999 for deferral of sales tax beyond the base sales turnover of ₹ 21 Crores for a period of 14 years i.e. from 01.07.1998 to 30.06.2012 which would be treated as interest free loan. The Sales tax deferred for the period from January 1, 1999 to March 31, 2012 aggregating ₹ 4.96 Crores (March 31, 2015 : ₹ 5.30 Crores) has been classified as Unsecured Loan under Long Term Borrowings and current maturities classified under Note 11 Other Current Liabilities.	Deferred sales tax loan is repayable in monthly instalments for 14 years beginning from July, 2012.
(ii)	Fixed Deposits	Repayable as per the terms of individual deposit ranging from 24 months to 36 months from the date of acceptance of deposits

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
5.5	**Includes Fixed Deposits**		
	- held by Directors	-	0.20
	- held by Relatives	0.05	0.10

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2016
6	**Deferred Tax Liabilities (Net)**		
	Deferred Tax Liabilities		
	Difference between WDV of Fixed Assets as per books and as per Income Tax Act	11.54	13.79
	Deferred Tax Assets		
	Less: Provision for expenses allowable on payment basis	2.31	1.55
	Other timing differences	3.23	2.08
	Total	**6.00**	**10.16**

Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
7	**Other Long-term Liabilities**		
	Trade Deposits	0.04	0.04
	Others	0.37	0.37
	Total	**0.41**	**0.41**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
8	**Long-term Provisions**		
	Provision for Employee Benefits		
	Provision for Compensated absences (Refer Note. 30(c))	2.97	2.56
	Provision for Warranty (Refer Note (12(b))	0.30	0.19
	Total	**3.27**	**2.75**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
9	**Short-term Borrowings**		
	Secured		
	Working Capital Loans repayable on demand from banks (Refer Note (a) below)	4.58	2.69
	Short-term Loans repayable on demand from bank (Refer Note (b) below)	5.50	8.00
	Buyers Credit / Packing Credit Facility (Refer Note (a) below)	6.75	3.46
	Unsecured		
	Commercial paper (Refer Note (c) below)	-	10.00
	Total	**16.83**	**24.15**

(a) Working Capital Loans, Buyers credit and PCFC, from 6 banks (March 31, 2015 - 6 banks) are secured on pari passu basis by way of hypothecation of all inventories, book debts and other current assets of the Company.

(b) Short term loan from banks are secured on a pari passu basis by way of hypothecation of inventories, book debts and other current assets of the Company.

(c) Commercial paper is Nil (March 31, 2015 Commercial Paper, 200 No's Face Value of ₹ 5,00,000 each, issued on March 30, 2015, repayable with in a period of 88 days from the date of issue and carries discount of 9%).

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
10	**Trade Payables**		
	Trade Payables		
	- Due to Micro and Small Enterprises	1.46	1.25
	- Others	69.25	49.46
	Total	**70.71**	**50.71**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
11	**Other Current Liabilities**		
	Current Maturities of Long-term debt		
	- Term Loan repayable within one year (Refer note 5.3)	4.60	13.10
	- Fixed Deposits repayable within one year (Refer note 5.4 (ii))	0.91	3.44
	- Deferred Sales Tax Loan repayable within one year (Refer note 5.4 (i))	0.30	0.34
	Interest accrued but not due on borrowings	0.45	1.50
	Unpaid dividends (Refer note (a) below)	0.12	0.13
	Statutory dues including Provident Fund and Tax deducted at Source	4.45	4.38
	Creditors for Capital Goods	0.98	0.48
	Others	0.36	0.27
	Total	**12.17**	**23.64**

(a) There are no amounts due for payment to the Investor Education and Protection Fund as at the year end.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
12	**Short Term Provisions**		
	Provision for Employee benefits		
	Provision for Compensated absence (Refer Note 30(c))	1.40	1.28
	Provision for gratuity (Refer Note 30(b))	1.93	2.00
	Other provisions		
	Provision for Warranty (Refer Note below)	0.57	0.22
	Income Tax net of Advance taxes (Refer note (a) below)	-	0.89
	Proposed Dividend on Equity Shares	-	5.54
	Dividend Distribution Tax on above	-	1.13
	Total	**3.90**	**11.06**

(a) Net of advance taxes ₹ Nil (March 31, 2015 : ₹ 66.40 Crores)

(b) Warranty Provisions

	Warranty - Short Term		Warranty - Long Term	
	March 31, 2016	March 31, 2015	**March 31, 2016**	March 31, 2015
Balance as at the beginning of the year	0.22	0.22	0.19	0.12
Additions / Transfers	0.57	0.22	0.22	0.22
Amounts used / Transfers	0.22	0.22	-	0.15
Unused amounts reversed	-	-	0.11	-
Balance as at the end of the year	**0.57**	**0.22**	**0.30**	**0.19**

Note No. 13 & 14 : Tangible & Intangible Assets and Capital Work in Progress

(₹ in Crores)

Description	Gross Block - At cost				Depreciation				Net Block	
	April 1, 2015	Additions	Disposal	March 31, 2016	April 1, 2015	For the year	Disposals / Adjustments	March 31, 2016	March 31, 2016	March 31, 2015
13 Tangible Assets										
Own Assets										
Land	3.77	-	-	**3.77**	-	-	-	**-**	**3.77**	3.77
	3.77	-	-	3.77	-	-	-	-	3.77	3.77
Buildings	43.56	0.23	0.03	**43.76**	12.06	1.36	0.01	**13.41**	**30.35**	31.49
	43.47	0.09	-	43.56	10.72	1.34	-	12.06	31.49	32.75
Plant and Equipment	228.31	5.21	9.46	**224.06**	148.03	16.63	9.16	**155.50**	**68.56**	80.28
	225.22	3.95	0.86	228.31	130.20	18.67	0.84	148.03	80.28	95.02
Furniture and Fixtures	1.60	0.02	0.16	**1.46**	1.10	0.15	0.13	**1.12**	**0.34**	0.50
	1.41	0.28	0.09	1.60	1.02	0.15	0.07	1.10	0.50	0.39
Vehicles	0.57	0.41	-	**0.98**	0.47	0.09	-	**0.56**	**0.42**	0.10
	0.61	-	0.04	0.57	0.43	0.08	0.04	0.47	0.10	0.18
Office Equipment	7.46	0.50	3.16	**4.80**	6.70	0.56	3.16	**4.10**	**0.70**	0.76
	6.97	0.65	0.16	7.46	6.33	0.54	0.17	6.70	0.76	0.64
Total	**285.27**	**6.37**	**12.81**	**278.83**	**168.36**	**18.79**	**12.46**	**174.69**	**104.14**	**116.90**
Previous year	281.45	4.97	1.15	285.27	148.70	20.78	1.12	168.36	116.90	132.75
14 Intangible Assets										
Own Assets (Acquired)										
Software Licence	1.47	0.15	-	**1.62**	1.31	0.12	-	**1.43**	**0.18**	0.16
	1.34	0.13	-	1.47	1.14	0.17	-	1.31	0.16	0.20
Technical Knowhow	1.78	-	-	**1.78**	1.78	-	-	**1.78**	**0.00**	0.00
	1.78	-	-	1.78	1.78	-	-	1.78	0.00	0.00
Others										
Goodwill	1.62	-	-	**1.62**	1.62	-	-	**1.62**	**0.00**	0.00
	1.62	-	-	1.62	1.62	-	-	1.62	0.00	0.00
Total	**4.87**	**0.15**	**-**	**5.02**	**4.71**	**0.12**	**-**	**4.83**	**0.18**	**0.16**
Previous year	4.74	0.13	-	4.87	4.54	0.17	-	4.71	0.16	0.20
Capital Work in Progress									**1.84**	0.58
Previous year									0.58	0.38

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
15	**Non-current Investment**		
	Un Quoted (Trade)		
	Investment in Equity instruments	0.37	0.37
	(TCW Renewable Energy India Pvt. Ltd., 408,969 shares - Face value of ₹ 10/- for a consideration of ₹ 9.02 each)		
	Total	**0.37**	**0.37**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
16	**Long-Term Loans and Advances**		
	Unsecured, considered good (unless otherwise stated)		
	Capital Advances	0.02	0.24
	Security Deposits	0.18	0.01
	Interest Free Loan to Rane Foundation (Refer note (a))	-	0.25
	Income Tax (Refer note (b))	1.20	-
	Fringe Benefits Tax	0.05	0.05
	Minimum Alternative Tax Credit	1.35	6.92
	Rent Advance (Refer note (c))	0.13	0.04
	Other loans and advances		
	Balance with Government Authorities (Refer note (d))	0.91	0.78
	Balance with Electricity Board	3.02	2.72
	Total	**6.86**	**11.01**

(a) Interest free loan given to a Trust in which Chairman and some of the directors are Trustees

(b) Net of provision for taxes ₹ 81.25 Crores (March 31, 2015 : ₹ Nil)

(c) Includes rent deposit paid to a director - ₹ 0.12 Crores (March 31, 2015 : ₹ Nil)

d) Includes Sales tax and Excise deposit.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
17	**Other Non current assets**		
	Unsecured, considered good (unless otherwise stated)		
	Long term deposits with banks with maturity period more than 12 months (Refer note (a))	0.34	0.34
	Other Bank Balances		
	Unpaid dividend account	0.11	0.13
	Interest Warrant Account (Refer note (b) below)	0.00	0.01
	Total	**0.45**	**0.48**

(a) Represents deposit held by Electricity Department - for Puducherry Plant towards Security Deposit

(b) Amount is ₹ 21,627 (March 31, 2015 : ₹ 84,225) below the rounding off norm adopted by the Company.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
18	**Inventories**		
	Stores and Spares	1.61	1.71
	Raw Materials (includes in transit : ₹ 1.99 Crores, March 31, 2015: ₹ 2.10 Crores)	16.95	15.46
	Work-in-Progress (Refer Note a (ii))	3.74	3.78
	Finished Goods (Refer Note a (i))	8.62	6.26
	Total	**30.92**	**27.21**
	(a) Details of Inventory		
	(i) Finished Goods		
	Brake Linings	5.12	3.77
	Disc Pads	2.63	1.74
	Clutch Facings	0.39	0.25
	Railway Brake Blocks	0.01	0.01
	Others	0.47	0.49
	Total	**8.62**	**6.26**
	(ii) Work in progress		
	Brake Linings	2.02	2.20
	Disc Pads	1.34	0.77
	Clutch Facings	0.18	0.21
	Railway Brake Blocks	0.20	0.60
	Total	**3.74**	**3.78**

18.1 Method of Valuation of Inventory : Refer Note-2.6 of Significant Accounting Policies

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
19	**Trade Receivables**		
	Unsecured Considered good		
	Outstanding for a period exceeding 6 months from the date they are due for payment	-	-
	Others	99.44	88.76
	Unsecured Considered Doubtful		
	Outstanding for a period exceeding 6 months from the date they are due for payment	0.48	0.73
	Others	0.20	0.28
	Less:- Provision for Doubtful debts	(0.68)	(1.01)
	Total	**99.44**	**88.76**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
20	**Cash and Bank Balances**		
	Cash and Cash Equivalents		
	Cash on hand	0.06	0.03
	Bank Balances		
	In Current Accounts	1.14	0.57
		1.20	**0.60**
	Other Bank Balances		
	Demand deposits (less than 3 months maturity)	0.66	0.86
	Long term deposit with maturity more than 3 months but less than 12 months (Refer Note (a) below)	0.07	0.02
	Total	**1.93**	**1.48**

(a) Held as margin by bank against bank guarantees

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
21	**Short Term Loans and Advances**		
	Unsecured, considered good, unless otherwise stated		
	Advances Recoverable in Cash or in Kind	4.52	3.32
	Other loans and advances		
	- Balance with Government Authorities	0.17	0.34
	- Others	3.80	3.11
	Prepaid Expenses	0.89	1.05
	Total	**9.38**	**7.82**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
22	**Other Current Assets**		
	Unsecured, considered good, unless otherwise stated		
	Interest accrued on Deposits	0.37	0.32
	Total	**0.37**	**0.32**

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
23	**Contingent Liabilities**		
	Claims against the company not acknowledged as debt		
	Income Tax matters	6.89	7.21
	Sales Tax matters	2.83	2.31
	Excise Duty matters	0.84	0.80
	Service Tax matters	1.99	2.03
	Total	**12.55**	**12.35**

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. Future cash outflows in respect of the above are determinable only on receipt of the judgements / decisions pending with various forums / authorities.

(b) The Company does not expect any reimbursements from third parties in respect of the above contingent liabilities.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
24	**Capital and other Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	13.58	3.32

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
25	**Proposed Dividend**		
	The final dividend proposed for the year is as follows:		
	On Equity shares of ₹ 10 each		
	Amount of dividend proposed	-	5.54
	Dividend per Equity Share	₹ Nil Per Share	₹ 7.00 Per Share

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
26	**Revenue**		
	Sale of products (Gross)		
	Finished goods	508.74	470.52
	Other Operating revenues		
	Sale of Materials	0.04	0.08
	Scrap Sales	0.50	0.48
	Revenue from Operations (Gross)	**509.28**	**471.08**
	Less : Excise duty	60.86	54.67
	Revenue from Operations (Net)	**448.42**	**416.41**
	(a) Details of Sales (Finished goods)		
	Brake Linings	214.74	202.54
	Disc Pads	186.37	165.69
	Clutch Facings	8.53	9.39
	Railway Brake Blocks	26.37	25.20
	Others	12.37	13.52
	Sales (net)	**448.38**	**416.34**
	(b) Details of sales (Traded goods)		
	Raw Materials	0.04	0.07
	Total	**0.04**	**0.07**

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
27	**Other Income**		
	Interest Income	0.69	0.49
	Dividend Income	0.02	0.01
	Provision / Liabilities written back to the extent no longer required	1.66	1.22
	Profit on Sale of Asset (Net)	(0.02)	0.04
	Other non-operating income - Net	0.87	0.32
	Total	**3.22**	**2.08**

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
28	**Cost of materials Consumed**		
	Raw materials and components consumed		
	Opening Inventory	15.46	16.15
	Add: Purchases	202.14	194.34
	Less: Inventory at the end of the year	16.95	15.46
	Total	**200.65**	**195.03**
	Freight Inward	4.59	4.15
	Job Work Expenses	4.51	4.10
	Grand Total	**209.75**	**203.28**

Consumption based accounting is followed for the issue of materials and accordingly purchase is a derived figure. The consumption is inclusive of Exchange rate fluctuation. Refer Note 34(g)(iii)

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
29	**Changes in inventories of Finished Goods, Work-in-progress and Stock-in-Trade**		
	(Increase) / decrease in stocks		
	Stock at the beginning of the year :		
	Finished Goods	6.26	7.10
	Work-in-progress	3.78	3.43
	Total- A	**10.04**	**10.53**
	Stock at the end of the year :		
	Finished Goods	8.62	6.26
	Work-in-progress	3.74	3.78
	Total - B	**12.36**	**10.04**
	(Increase) / Decrease in Stocks (A - B)	**(2.32)**	**0.49**

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
30	**Employee Benefit Expenses**		
	Salaries, Wages and Bonus	56.20	46.55
	Contribution to Provident and Other Funds (Refer note (a))	3.65	3.39
	Gratuity (Refer note (b) below)	1.93	2.78
	Staff Welfare Expenses	8.29	8.06
	Total	**70.07**	**60.78**

(a) Defined Contribution Plans

During the year the following amounts have been recognised in the Profit and loss Statement on account of defined contribution plans:

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
Employers contribution to Provident Fund	3.16	2.85
Employers contribution to Employee's State Insurance	0.16	0.16
Employers contribution to Superannuation Fund	0.33	0.38

(b) Defined benefit Plans (Funded)

Gratuity : Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 2015
		Gratuity	
(i)	**Present value of Defined benefit obligation**		
	Balance at the beginning of the year	12.45	9.74
	Current service cost	0.92	0.69
	Interest cost	0.94	0.85
	Actuarial (gain) / loss	0.98	2.15
	Benefits paid	(0.92)	(0.98)
	Balance at the end of the year	**14.37**	**12.45**
(ii)	**Fair Value of plan assets**		
	Balance at the beginning of the year	10.45	10.48
	Expected return on plan assets	0.97	0.89
	Actuarial gain / (loss) on plan assets	(0.07)	0.03
	Contribution by the company	2.00	0.03
	Benefits Paid	(0.92)	(0.98)
	Balance at the end of the year	**12.43**	**10.45**
(iii)	**Assets and Liabilities recognised in the Balance sheet**		
	Present value of Defined Benefit obligation	14.37	12.45
	Fair Value of Plan Assets	(12.43)	(10.45)
	Amounts recognised as liability	**1.94**	**2.00**
	Recognised under :		
	Short Term Provision	1.94	2.00
	Total	**1.94**	**2.00**
(iv)	**Expense recognised in the Statement of Profit and Loss**		
	Current service cost	0.92	0.69
	Interest cost	0.94	0.85
	Expected return on plan assets	(0.97)	(0.88)
	Actuarial (gain) / loss recognised in the year	1.05	2.12
	Total Expense	**1.94**	**2.78**

(₹ in Crores)

		Year ended				
		March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
(v)	**Actuarial Assumptions**					
	Discount rate	**8.00%**	7.80%	9.20%	8.00%	8.00%
	Expected return on plan assets	**8.85%**	8.85%	8.85%	9.30%	9.30%
	Salary Growth Rate	**8.00%**	8.00%	8.00%	8.00%	8.00%
	Attrition rate	**1.80%**	2.83%	1.50%	1.50%	1-3%
(vi)	**Amounts recognised in current year and previous four years**					
	Gratuity					
	Defined Benefit Obligation	**14.36**	12.46	9.74	10.00	8.72
	Plan Assets	**12.43**	10.46	10.49	9.22	7.04
	Surplus / (Deficit)	**(1.93)**	(2.00)	0.75	(0.78)	(1.68)

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market

The above disclosures are based on information furnished by the independent actuary and relied upon by the auditors.

(c) Compensated Absences (Vesting and Non-vesting unfunded)

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.

The Company accounts its liability for long term compensated absences based on actuarial valuation, as at the balance sheet date, determined every year by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses are recognised in the profit and loss account in the year in which they occur.

	Year ended March 31, 2016	**Year ended March 31, 2015**
Assumptions		
Discount Rate	8.00%	7.80%
Salary escalation rate	8.00%	8.00%
Attrition rate	1.80%	2.83%

The estimates of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

(₹ in Crores)

		Year ended March 31, 2016	**Year ended March 31, 2015**
31	**Finance Costs**		
	Interest Expense		
	Term Loans	1.22	3.59
	Fixed Deposits	0.26	0.59
	Working Capital Loans	1.49	1.62
	Other borrowing costs	0.29	0.22
	Total	**3.26**	6.02

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
32	**Depreciation and Amortisation Expense (Refer note 13 & 14)**		
	Depreciation on Tangible assets	18.79	20.78
	Amortisation on Intangible assets	0.12	0.17
	Total	**18.91**	**20.95**

(₹ in Crores)

		Year ended March 31, 2016	Year ended March 31, 2015
33	**Other Expenses**		
	Consumption of Stores and Spare parts (Refer Note 34(d))	6.54	6.67
	Excise Duty (Refer note (a) below)	0.32	0.34
	Power and fuel	23.86	22.97
	Rent	0.11	0.09
	Repairs & Maintenance		
	Buildings	0.47	0.17
	Machinery	7.75	7.52
	Others	3.66	3.38
	Insurance	0.67	0.68
	Rates and taxes	1.41	1.45
	Travelling and Conveyance	4.34	4.01
	Professional Charges	9.23	9.24
	Royalty	4.33	4.01
	Freight Outward	10.55	8.99
	Packing and Forwarding	8.15	7.47
	Advertisement and Sales Promotion	3.55	3.03
	Discount and Incentive	21.61	17.70
	Product Warranty	0.57	0.22
	Trade Mark Fee	2.35	2.18
	Provision for Bad & Doubtful debts	0.32	0.18
	Directors' Sitting Fees	0.18	0.15
	Donation	0.31	0.30
	Auditor's Remuneration - Refer Note-33.1 below	0.15	0.15
	Miscellaneous Expenses	6.02	5.40
	Total	**116.45**	**106.30**

(a) Excise Duty on Sale of products has been deducted from sales revenue and Excise Duty shown under Other Expense represents the difference between Excise Duty on opening and closing stock of finished goods.

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
33.1 Auditor's Remuneration		
a. Audit fee	0.09	0.09
b. Tax Audit Fee	0.01	0.01
c. Other services	0.05	0.05
d. Reimbursement of expenses *	-	0.00
Total	**0.15**	**0.15**

* Amount ₹ Nil (March 31, 2015 : ₹ 20,771) is below the rounding off norm adopted by the Company

33.2 The company has incurred an amount of ₹ 0.35 Crores (March 31, 2015 : ₹ 0.36 Crores) towards corporate social responsibility activities, during the current year ended March 31, 2016.

(₹ in Crores)

			Year ended March 31, 2016	Year ended March 31, 2015
34	**ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS**			
a)	**Raw materials consumed**			
	i)	Asbestos	14.57	14.54
	ii)	Chemicals & Resins	142.24	140.61
	iii)	Steel Components	43.84	39.88
	iv)	Others	-	-
			200.65	**195.03**
b)	**CIF Value of imports**			
	i)	Raw materials	89.41	79.09
	ii)	Capital goods	0.22	-
			89.63	**79.09**
c)	**Expenditure in foreign currency**			
	i)	Royalty	4.33	4.01
	ii)	Technical Fees	1.88	3.64
	iii)	Travelling	0.01	0.11
	iv)	Sales Commission	0.64	0.39
	v)	Professional and Consultancy Charges	0.85	0.82
	vi)	Others	0.56	0.08
			8.27	9.05

Particulars	Year ended March 31, 2016 Value	Year ended March 31, 2016 Percentage	Year ended March 31, 2015 Value	Year ended March 31, 2015 Percentage
d) Value of imported and indigenous raw materials, components and spares consumed and percentage of each to the total consumption :				
i) Raw Materials				
a) Imported	95.71	46%	88.15	44%
b) Indigenous	104.94	51%	106.89	53%
ii) Stores and Spare Parts				
a) Imported	-	-	-	-
b) Indigenous	6.54	3%	6.67	3%
Total	207.19	100%	201.71	100%

Particulars	Year ended March 31, 2016 No. of Non-resident shareholders	No. of equity shares held	Dividend remitted	Year ended March 31, 2015 No. of Non-resident shareholders	No. of equity shares held	Dividend remitted
e) Amount remitted in foreign currencies towards dividends during the year :						
Interim Dividend paid during the year	1	1,595,249	1.60	1	1,595,249	-
Final Dividend paid during the year	1	1,595,249	1.12	1	1,595,249	1.20

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
f) Earnings in foreign currency		
FOB Value of exports	26.87	27.58
	26.87	**27.58**

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
g) Other Financial Information		
i. Outstanding Bank Guarantees	2.91	1.98
ii. Outstanding Letter of Credit	1.27	0.27
iii. Net exchange difference debited to Profit and Loss Statement	(0.14)	0.30
	4.04	**2.55**

(₹ in Crores)

	Year ended March 31, 2016	Year ended March 31, 2015
h) Research and Development Cost		
i. Capital Expenditure	0.31	0.51
ii. Revenue Expenditure	8.64	9.50
	8.95	**10.01**

35 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 registerd under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

(₹ in Crores)

	As at March 31, 2016	As at March 31, 2015
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1.46	1.25
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	4.61	10.91
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	0.02	0.05
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	0.01
Further interest remaining due and payable for earlier years	-	-

36 Segment Reporting

The Company is engaged in the business of manufacture of **"Components for Transportation Industry"** which is considered to be the only reportable business segment as per the Accounting Standard 17. As the exports are predominantly to developed countries, geographical risk is not different from domestic market and hence no separate secondary segment disclosure is required.

(₹ in Crores)

		As at March 31, 2016	As at March 31, 20145
37 Earnings per Share			
(a) Basic			
Profit after tax		25.76	16.11
Adjusted net profit for the year	A	25.76	16.11
Weighted average number of shares outstanding	B	7,914,980	7,914,980
Basic EPS (₹)	A / B	32.54	20.36
(b) Diluted			
Diluted EPS (₹)		32.54	20.36
Face value per share (₹)		10.00	10.00

38 Related Party Disclosures

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

(i)	Holding Company	Rane Holdings Limited (RHL)
(ii)	Fellow subsidiaries	Rane (Madras) Limited (RML)
		Rane Engine Valve Limited (REVL)
		Rane Holdings America Inc. (RHAI)
(iii)	Significant influence	Nisshinbo Holdings Inc. (NHI)
(iv)	Key Management Personnel (KMP)	Mr. L Ganesh, Chairman
		Mr. P S Rao - Manager under the Companies Act, 2013 upto September 30, 2015
		Mr. Vinay Lakshman, Managing Director w.e.f. October 01, 2015
(v)	Relatives of KMP (L Ganesh, P S Rao & Vinay Lakshman)	Mrs. Meenakshi Ganesh,
		Mr. Aditya Ganesh,
		Mrs. Aparna Ganesh,
		Mr. L Lakshman,
		Mrs. Pushpa Lakshman,
		Mr. Harish Lakshman,
		Mrs. Priya Vinay Lakshman,
		Ms. Mantra Vinay Lakshman,
		Ms. Shloka Vinay Lakshman,
		Mrs. Hema C Kumar,
		Mrs.Vanaja Aghoram,
		Mrs. Shanthi Narayan and
		Mrs. Poduri Lakshmi Rao
(vi)	Enterprise over which KMP / Relative of KMP exercise significant influence	Rane Foundation (RF)
		Ganesh (HUF)
		Lakshman (HUF)
		Savithur Enterprises Private Limited (SEPL)
		HL Hill Station Properties Private Limited (HHSPPL)
		RT Automotive Systems Private Limited (RTASPL)
(vii)	Other Related parties (under common control)	SasMos HET Technologies Limited (SHTL)
		Rane TRW Steering Systems Private Limited (RTSSPL)
		Rane NSK Steering Systems Private Limited (RNSSPL)
		Rane (Madras) International Holdings B.V (RMIH)
		Rane Precision Diecast Inc. (RPDC)

(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.

38 (c) Transactions / Balances (₹ in Crores)

Description	Holding Company		Fellow Subsidiary		KMP		Relatives of KMP		Enterprise over which KMP / relatives exercise significant influence		Other Related Parties under common control		Total	
	2016	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015	**2016**	2015
Transactions during the year														
Trade Mark Fee	**2.35**	2.18											**2.35**	2.18
Professional Charges	**4.12**	3.84	**0.15**	0.24									**4.27**	4.08
Reimbursement of expenses			**-**	0.01									**-**	0.01
Commission to Chairman					**0.65**	0.21							**0.65**	0.21
Remuneration to Managing Director *					**0.58**	-							**0.58**	-
Remuneration to P S Rao **					**0.62**	0.86							**0.62**	0.86
Rent Deposit to L Lakshman							**0.12**	-					**0.12**	-
Purchase of Vehicle											**0.10**	-	**0.10**	-
Repayment of Loan									**0.25**	0.50			**0.25**	0.50
Fixed deposits Repaid					**0.05**	-	**0.12**	0.15	**0.19**	-			**0.36**	0.15
Interest on Fixed Deposits					**0.00**	0.01	**0.01**	0.02	**0.01**	0.03			**0.03**	0.05
Sitting fees paid					**0.03**	0.02	**0.03**	0.03					**0.06**	0.05
Donation - CSR									**0.28**	0.28			**0.28**	0.28
Balance as at Year End														
Payables														
Fixed Deposits					**-**	0.05	**0.05**	0.17	**0.09**	0.27			**0.14**	0.49
Fellow Subsidiary			**-**	0.04									**-**	0.04
Receivables														
Interest Free Loan									**-**	0.25			**-**	0.25

* Mr Vinay Lakshman appointed as Managing Director effective October 01, 2015.

** Mr P S Rao retired from the services on September 30, 2015.

39 Category Wise quantitative data about derivate instruments outstanding at the Balance Sheet Date

(Foreign Currency in Crores)

Particulars	As at March 31, 2016	As at March 31, 2015
Foreign Currency Exposures that are directly hedged by a derivative instrument or otherwise		
Receivables		
DOLLAR	-	-
EURO	-	-
GBP	**0.00**	0.00
AUD	-	-
Payables		
DOLLAR	-	-
EURO	**0.00**	-
GBP	-	-
JPY	**9.12**	2.09
Foreign Currency Loan		
DOLLAR	-	0.04
EURO	-	-
GBP	-	-
JPY	**2.98**	2.23
Foreign Currency Exposures that are not directly hedged by a derivative instrument or otherwise		
Due to Creditors		
DOLLAR	**0.01**	-
EURO	**0.00**	0.00
GBP	-	-
JPY	**0.00**	1.09
Due from Debtors		
DOLLAR	**0.05**	0.04
EURO	-	0.01
GBP	**0.00**	0.00
AUD	**0.00**	-
Foreign Currency Loan		
DOLLAR	-	-
EURO	-	-
GBP	-	-
JPY	-	-

40. Pursuant to the provisions of Section 197 of Companies Act 2013, Mr. Vinay Lakshman was appointed as Managing Director by the Board with effect from October 1, 2015 for a period of three years. The terms and conditions of his appointment and remuneration payable are being proposed for approval of the shareholders at the ensuing annual general meeting.

41. Derivative Instrument and hedge accounting

As per Accounting Standard AS 30 "Financial Instruments: Recognition and Measurement", adopted with effect from 1st April 2014 the Company has provided for the effective portion amounting to ` Nil of the changes in the fair values of forward contracts designated as cash flow hedges directly in 'Hedge Reserve Account' being part of the shareholders' funds the changes in fair value relating to the ineffective portion amounting to ` Nil of the cash flow hedges and forward contracts are recognised in the Profit and Loss Statement.

42. 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.

Signature to Notes 1 to 42

For Varma & Varma
Chartered Accountants
Firm Registration Number : 004532S

P R PRASANNA VARMA
Partner
(Membership No. 025854)

Place : Chennai
Date : May 23, 2016

For and on behalf of the Board

L GANESH
Chairman

VINAY LAKSHMAN
Managing Director

M A P SRIDHAR KUMAR
Chief Financial Officer

VENKATRAMAN
Secretary

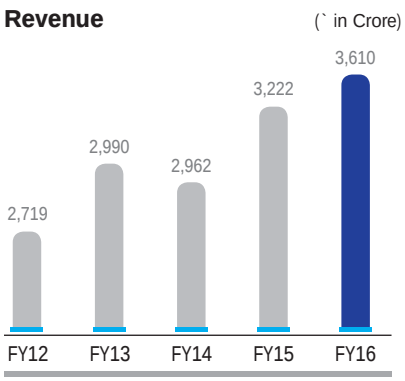
NOTES

Our Parent Company
Rane Holdings Limited

Spanning a rich experience of eight decades, Rane group is amongst preferred suppliers, engaged mainly in manufacturing of auto components, to major OEMs in India and across the globe.

Through its 24 strategically located plants across India and USA, Rane group commands a sizable business in the replacement segment catering to well-diversified clientele in the automobile industry including Passenger Car, Light Commercial Vehicle, Medium & Heavy Commercial Vehicle, Two-wheeler, Three-wheeler, Multi Utility Vehicle and Farm Tractor.

Rane Holdings has an exposure in non-automotive portfolio for aerospace and defence via an associate company. Rane group maintains its operational excellence through total quality management (TQM), which is reflected by three Deming Grand Prizes and four Deming Prizes bestowed upon its group companies.



Subsidiaries
Rane (Madras) Ltd. - Rane (Madras) International Holdings B.V., The Netherlands • Rane Precision Die Casting Inc., USA
Rane Engine Valve Ltd.
Rane Brake Lining Ltd.
Rane Holdings America Inc., USA

Joint Ventures
Rane TRW Steering Systems Pvt. Ltd.
Rane NSK Steering Systems Pvt. Ltd.
JMA Rane Marketing Ltd.

Associate
SasMos HET Technologies Ltd.





Expanding Horizons

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